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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

BULGARIA

President Evaluates Domestic Situation *[BTA]* 2
Official Register of Political Parties Detailed *[KURIER 22 May]* 2

CZECHOSLOVAKIA

Meciar Addresses Slovak National Council *[Bratislava Radio]* 7
Slovak Program Debated by Parliamentary Groups *[CSTK]* 18

HUNGARY

Foreign Ministry Welcomes Yugoslav Peace Talks *[MTI]* 19
Croatia 'Practically' Closes Border to Refugees *[Budapest Radio]* 19
Jeszenszky Evaluates Slovak-Hungarian Relations *[NARODNA OBRODA 8 Jul]* 19

POLAND

Council of Ministers Holds Inaugural Meeting 23
Walesa, Suchocka Speak *[Warsaw Radio]* 23
Committees Established *[Warsaw TV]* 24
Suchocka Plans To Dismiss 'Independent' Ministers *[PAP]* 25
Pawlak Criticizes Suchocka Cabinet for Delays *[PAP]* 25
Freedom Party Demonstrates Against Walesa *[PAP]* 25

ROMANIA

Ministry Confirms Observation of FRY Embargo *[ROMPRES]* 26
Russian Charges of Involvement in Dniester Denied *[ROMPRES]* 26
Stolojan Receives Turkish Interior Minister *[ROMPRES]* 26

BOSNIA-HERCEGOVINA

Izetbegovic Replies to Carrington on London Talks *[Sarajevo Radio]* 27
Boban Comments on Herceg-Bosnia Issues *[Zagreb TV]* 27
Karadzic Comments on Serbs' Status in Bosnia *[Belgrade TV]* 29
Serb Leader Ready for 'Unconditional' Cease-Fire *[TANJUG]* 29
Croatia Accused of Sending Troops to Bosnia *[TANJUG]* 29
Izetbegovic Reminds UN on Artillery Withdrawal *[Zagreb Radio]* 30
Defense Minister Views Offensive Against Gorazde *[Sarajevo Radio]* 30

CROATIA

UN Says Croatia Violated Embargo on Arms Imports *[TANJUG]* 31
Tudjman Supports Carrington Initiative on Talks *[Zagreb Radio]* 31
Minister Appeals to Europeans To Take Refugees *[Vienna TV]* 31
Serbian Krajina Introduces Separate Currency *[TANJUG]* 32

YUGOSLAVIA

Federal

Milan Panic Elected First FRY Prime Minister *[TANJUG]* 33
President Addresses Federal Assembly *[Belgrade Radio]* 33
Panic Addresses Assembly, Names Ministers *[TANJUG]* 37
Reactions to New Government Noted *[TANJUG]* 42
Parliament Upholds Panic Recovery Program *[TANJUG]* 42
June Exports Down 50 Percent From Last Year *[TANJUG]* 42

Yugoslavia

Federal—TANJUG reports that on 14 July, Milan Panic was elected as the first FRY prime minister. In his address to the Federal Assembly, Panic said: "Let us not pine over the past, let us turn toward the future." President Dobrica Cosic also spoke to the joint session of the Federal Assembly in a speech carried by Belgrade radio. With regard to himself and Panic, Cosic stated: "Please let us not inflate mere hopes, harbor a facile belief, and proclaim anybody a savior before we are saved. Our situation is so grave, our capabilities modest, our tomorrow is so uncertain that there is no sage and savior, a prophet and leader who can save us and lead us into a more certain future if we all, from the president of the republic, to a nurse, to a farmer, fail to wholeheartedly get to work and conscientiously perform our duties."

Czechoslovakia

Bratislava radio carries live a speech by Vadim Meciar, Slovak prime minister, in which he presents the Slovak government program at a National Council session. In the speech, he states: "Democratic principles are the basis and an immutable principle of the government's activity. They will be reflected in the whole structure of its work. Our goal is civic society which will respect the Charter of Basic Human Rights and Freedoms and give equal opportunity to all."

Croatia

TANJUG reports that a special committee for monitoring the UN sanctions against Yugoslavia has "solid evidence that Croatia is violating" the embargo on arms imports. "Documents held by the committee indicate that last October," Croatian-born businessman Stefan Udovcic "delivered rocket launchers to the Croatian National Guard."

Bosnia-Hercegovina

Sarajevo radio carries the text of a letter from Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, to Lord Peter Carrington, chairman of the EC Conference on Yugoslavia. Izetbegovic stated: "We wish to cooperate and confirm our loyalty to finding a political solution for the problems of our country, although we no longer believe in the model offered for resolving them."

Zagreb TV carries an interview with Mate Boban, president of Herceg-Bosnia, in which he stated: "All three nations must be constitutive and sovereign and possess equal rights. There can be no other Bosnia-Hercegovina."

Romania

ROMPRES reports that in response to allegations that Romania has not observed the UN Security Council's embargo on Yugoslavia, the Romanian Transport Ministry issued a communique stating that "the sea, river, air, rail and road embargo has been applied with utmost strictness," and "no sea ships were loaded in the Romanian port of Constanta in order to sail to the Adriatic port of Bar" since the embargo began.

President Evaluates Domestic Situation

AU1507115492 Sofia BTA in English 0917 GMT 15 Jul 92

[Text] Sofia, July 15 (BTA)—Confrontation is unnecessary, the power base of the political force carrying out the reform should not be narrowed, President Zhelyu Zhelev says in an extensive interview in today's 24 CHASA. Dr. Zhelev believes extremes in politics narrow social support and the opportunities for quick reforms.

Communists also used to carry out reforms without broad support and had to resort to terror and violence as a kind of compensation. We know better than that, Dr. Zhelev says.

Asked why the president's rating is so high when approval of the cabinet and parliament is declining, Dr. Zhelev says that the Presidency is trying to be a national institution, to defend national interests, law and order. "The government is saddled with the liabilities of previous cabinets. Any cabinet launching such a difficult reform is unlikely to win applause," Dr. Zhelev believes.

According to him, parliament reflects the serious rift in the nation. The fact that parliament's rating is declining shows that people are tired of extreme confrontation.

Asked whether there are differences between the Union of Democratic Forces (SDS) and the president, Dr. Zhelev says there have often been differences within the SDS itself, which is just as natural as the arguments and differences between representatives of the SDS and himself. However, we agree on principal points, Dr. Zhelev says.

As to police files, the president says that he has repeatedly spoken in favour of their declassifying. "It seems, however, that my views have evolved after the shock witnessed by the former Eastern Germany, Poland and Czechoslovakia," says President Zhelev. According to him, this is a complicated matter because innocent people, victims of slander, will suffer alongside those guilty after a possible declassification of police files. "I suppose many documents have been destroyed or concealed to be used later on," the president says.

Commenting on the conflict in the Bulgarian Orthodox Church, Dr. Zhelev says that the state should not interfere in church affairs. Reforms there should comply with the statutes and the canon of the Orthodox Church. The president describes as anticonstitutional the actions of a group led by Khristofor Subev, which declared Patriarch Maksim illegitimate and occupied the building of the Holy Synod.

Official Register of Political Parties Detailed

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[Editorial Report] Sofia KURIER in Bulgarian No. 99 on 22 May and subsequent issues continues to carry special supplements with details on Bulgarian political parties and organizations included in the official register. Substantive information on individual parties in these supplements is given below, with the source reference supplied in parentheses following each entry.

56. "Democracy" Club—Lovech

The club was constituted at the beginning of 1990 "as an independent structure close to the SDS [Union of Democratic Forces] in character." It was officially registered in Sofia on 3 May 1990.

The club's goal is "to achieve social justice for the Bulgarian people as a whole." It "supports all democratic forces and strives to stimulate citizens to take an active part in sociopolitical life." The club's chairman is Dr. Galina Yocheva. (No. 99, 22 May 92 p 14)

57. Christian Radical Party

The party began to be formed in December 1989. At the constituent conference held on 2 May 1990 it was joined by former members of the Christian Democratic Party (Center). It "aims to develop ecumenism in Bulgaria and to wage a hard campaign by legal and democratic means against materialism and all doctrines based on the works of Marx and Engels." It advocates "unconditional freedom of capital investments, denationalization of property, and a free market economy," combined with protection of the socially disadvantaged.

The party ran unsuccessfully on an independent ticket in the democratic parliamentary and presidential elections. Its leading organ is the Supreme Ruling Council, and its chairman is Father Totyu Petrov. (No. 99, 22 May 92 p 14)

58. Monarchist Conservative Union (MKS)

The formation of the MKS began in mid-1989, and the union held its constituent meeting in Veliko Turnovo on 9 February 1990.

The MKS aims to conduct educational activities to familiarize people with the ideas and principles of the monarchy. It renounces revolutionary and terrorist methods to achieve its goals, relying solely on parliamentary methods. It seeks to restore the Turnovo constitution, updating it if necessary, and advocates "legitimate monarchic rule in the traditions of Bulgarian national legislation."

The union is controlled by a three-member leadership, and its chairman is Ivan Marchevski. (No. 100, 25 May 92)

59. Bulgarian Communist Party (BCP)

The party was originally formed as the Party of the Working People at a constituent conference held on 25 April 1990. Its present name was adopted at an extraordinary plenum held on 21 June 1990. It held a national conference in Panagyurishte on 3 October 1990, "which was attended by representatives of 294 party organizations and grew into the 15th BCP Congress."

The party "regards itself as the successor of the BCP, but dissociates itself from both the old leadership, which

turned the party into a tool for personal enrichment, and from the leadership and actions of the Bulgarian Socialist Party." It "insists on bringing to court all those responsible for the national disaster and on confiscating and returning the property stolen from the people."

The party fought the two democratic parliamentary elections on a separate ticket, but it did not win any seats.

Its press organ is the newspaper KOMUNISTICHESKO DELO (Communist Cause), which "has not appeared since 1 January 1992 for financial reasons."

(No information is given on the party chairman or leading bodies.) (No. 100, 25 May 92 p 11)

60. "Edinstvo" Cultural and Educational Organization

The "Edinstvo" (Unity) Organization appeared in February 1990 among the Turkic-speaking Gypsy population. It was officially registered at Plovdiv District Court on 26 March 1990. Later, all ethnic restrictions on joining the organization were removed, and "Edinstvo" "decided to enter into a coalition with other political forces."

The organization "concentrates on working directly with ordinary people to change their awareness, culture, and social behavior." Its supreme leading organ is the General Meeting, while the executive leadership is led by the chairman, Asen Kolev. (No. 101, 26 May 92 p 12)

61. Green Party in Bulgaria

The idea of forming the party arose several months before 10 November 1989 among members and supporters of the Committee for Ecological Protection of Ruse and the Club for Support of Glasnost and Perestroyka. The party was constituted on 28 December 1989, and on 15 February 1990 "became the first officially registered opposition party."

The Green Party was one of the principal founders of the SDS. The split that developed in the SDS during the spring of 1991 "caused the party to leave the coalition and follow its own independent democratic policy." "In contrast to the other organizations that formerly belonged to the SDS, the Green Party members preserved their independence and have no duplicate organizations in Bulgarian political life."

The party helped to found the Bulgarian Democratic Center in the fall of 1991. "The party sets itself not merely ecological tasks, but mainly political ones. For this reason, its policies in the economic and social fields are rich, and the party defends the interests of a broad strata of the population." From its very inception, the Green Party declared that "Bulgarian society needs radical change, not restructuring." Its sociopolitical principles are based on two values: "harmony in the man-society-nature system and a high quality of life for the individual." The party believes that "the use of natural resources, investment strategy, and the orientation of technological development in the ruling structures should be in harmony" and help increase the quality of life. The rights of the individual, independent organizations, the scientific community, and the producers must be defended and extended at all stages of planning, and the party supports decentralization and local self-government. It "advocates a market economy open to the world and stands by liberal positions."

The Green Party won 17 seats in the June 1990 Grand National Assembly elections, but failed to win any in the last elections.

Until the spring of 1991 the Green Party published the newspaper EKOPOLITIKA (Ecological Policy), and then published the daily DEMOKRATSIYA '91 until the end of 1991.

The party's leading organ is the National Council, and its chairman is Aleksandur Karakachanov. (No. 101, 26 May 92 pp 12, 13)

62. Republican Party in Bulgaria

The party began to be formed in December 1989. In January 1990 Professor Aleksandur Popov formed an initiative committee that convened the party's constituent conference on 3 February. Following a split in March 1990, some of the party members formed the present party.

The Republican Party advocates developing Bulgaria "as a democratic, parliamentary republic ruled by law, with a multiparty system." It rejects the Bulgarian "myth" that republicanism is the prerogative of left parties, and believes that "the ethnic problems will be settled by respecting the rights of man."

The party urges that a national discussion should be held to settle the dispute between supporters of republicanism and monarchism. "While respecting the personality of Tsar Simeon II, the party's members consider that conditions will mature in Bulgaria for holding a true referendum on the form of government."

The Republican Party won no seats in the Grand National Assembly elections and did not take part in the October 1991 parliamentary elections.

The party's leading organs are the Presidency and the Executive Bureau. Its chairman is Aleksandur Spiridonov, and the deputy chairmen are Darya Tabakova and Dragomir Nenov. Its printed organ is the newspaper REPUBLIKA, "which is currently not being published for financial reasons." (No. 102, 27 May 92 p 13)

63. Bulgarian National Agrarian Union-United (BZNS-E)

The BZNS-E was founded at a National Conference for Agrarian Unity held in Sofia on 27 July 1991, "at the initiative of the National Committee for Agrarian Unity led by Yosif Petrov and with the participation of the BZNS parliamentary group, part of the parliamentary group of the Nikola Petkov BZNS, and activists from the "Vrabcha 1" BZNS.

The Bulgarian National Agrarian Union was founded at the end of the 19th century "as a professional-educational organization for the rural population in Bulgaria." Beginning in 1901 it became active as a political organization and gained political power under the leadership of Aleksandur Stamboliyski. BZNS governments succeeded in "carrying out most of the reforms in Bulgaria since the liberation" in the agrarian, educational, pensions, and social fields.

Following 9 September 1944, the BZNS became "a co-ruling party with the Bulgarian Communist Party, but since has refused to take part in the government of the country since 10 November 1989."

The 36th Extraordinary BZNS Congress in February 1990 adopted a new program and statute, which "declare that the BZNS will establish itself as a nationwide democratic party taking an active part in Bulgarian sociopolitical life."

The BZNS won 16 seats in the June 1990 Grand National Assembly elections. It fought the October 1991 elections on its own ticket, but won no seats.

The party's press organ is ZEMEDELSKO ZNAME (Agrarian Banner). Its leading organ is the Ruling Council, and its executive bodies are the Permanent Board and the Supreme Union Council. Tsenko Barev holds the post of union secretary. (No. 103, 28 May 92 p 10)

64. Bulgarian Workers and Peasants Party (BRSP)

The formation of the BRSP began in Varna during April and May 1990, and the party held its constituent conference on 23 May 1990. The founders of the party included Simeon Yanulov, Stancho Stanchev, Vasil Zhekov, and Pravdolyub Kozhukharov.

The party "defends the interests of people who directly participate in the creation of material wealth in industry and agriculture." It "is developing programs to rescue Bulgaria from the severe socioeconomic crisis."

It did not take part in the June 1990 parliamentary elections, and failed to win any seats on an individual ticket in the October 1991 elections.

The BRSP held its first congress in Sofia on 1 and 2 May 1992. The congress "was attended by representatives of the Initiative Committee of the Bulgarian Workers Party, BRP, and adopted a decision for the BRP and BRSP to merge," retaining the name of Bulgarian Workers and Peasants Party. "Information on the party leadership and its registered address will be published later." (No. 104, 29 May 92 p 11)

65. Party of Free Democrats-Center (PSD-Ts)

"The party is a direct successor of the Union of Free Democrats founded on 16 December 1989 in Stara Zagora. After the constitution of the Party of Free Democrats (following disagreements that arose), some of the members convened a new conference on 20 May 1990 and founded the PSD-Ts."

The party "identifies itself with the ideas of neoliberalism and its practical approaches." It advocates universal private property and a strong legislative power.

The PSD-Ts competed unsuccessfully in the October 1990 elections on a separate ticket. Its press organ is SVOBODEN DEMOCRAT (Free Democrat). The party's leading organ is the National Executive Council, and its chairman is Docent Khristo Santulov. (No. 105, 1 Jun 92 p 10)

66. Free Cooperative Party (SvKP)

The party appeared in December 1989 and held its constituent conference on 2 April 1990, at which over half the participants were former members of the BZNS and Nikola Petkov BZNS.

The SvKP "is in essence an agrarian party that plans and implements its activities on the basis of the theoretical views of Aleksandur Stamboliyski." It stands to the left of the center and "intends to take an active part in the campaign to unite the agrarian movement in Bulgaria." The party was unsuccessful in the October 1991 National Assembly elections.

The party's ruling organ is the National Coordinating Council, and its national coordinator is Dimitur Markovski. (No. 106, 2 Jun 92 p 12)

67. Bulgarian Democratic Party (BDP)

The formation of the BDP began in November 1989, and the party held its constituent conference in Sofia on 19 July 1990.

The BDP "has a right-wing orientation and strongly opposes all deals with the BSP and SDS. It sets itself the ambitious goal of realizing the national democratic ideals of Benkovski, Levski, Botev, and Rakovski concerning an independent democratic Bulgaria." It opposes "speculative enrichment," and advocates "an exchange of currency in order to stop the illegally acquired means and money expropriated by the former Bulgarian Communist Party from being used in the country's economic and political life." The party "is the enemy of the unemployment, poverty, and hunger suffered by hundreds of thousands of Bulgarians at the end of the 20th century."

The principles supported by the BDP are: "real democracy, a social market economy, a social republic, truth, and justice."

The party was unsuccessful in the last parliamentary elections. Its leading organ is the Central Council, and its chairman is Yolo Denev. The printed organ is DEMOKRATICHESKA BULGARIYA. (No. 107, 3 Jun 92 p 13)

68. Union for a Civic Society (SGO)

The union was organized in February 1990 at the initiative of a number of former members of the Civic Initiative Movement. It held its constituent meeting in Sofia in April 1990.

"Since 9 February 1991 the SGO, jointly with the Forum of Free Democrats and the Party of Free Democrats, has participated in the SDS, a political alliance." It participated in the last parliamentary elections as part of the SDS coalition, but offered no candidates.

The leading organ of the SGO is the National Union Council, whose co-chairmen are Stoyan Gruychev and Petur Goranov. (No. 108, 4 Jun 92 p 10)

69. Bulgarian Liberal Party (BLP)

The BLP first arose in July 1990, and held its constituent meeting in Sofia on 1 September 1990.

The party "unites enterprising persons who are convinced of the advantages of private or group-owned forms of property." It took part in the October 1991 National Assembly elections in the BSP election coalition, and is currently represented in parliament by one deputy.

The BLP's leading organ is the Republican Executive Committee, and its chairman is Vulkan Vergiev. (No. 108, 4 Jun 92 p 10)

70. Bulgarian Workers Social Democratic Party (BRSDP)

The BRSDP was originally founded on Mount Buzludzha in 1891. On 4 August 1990 a conference was called in Sofia to restore the party, which was officially registered in Sofia on 13 September 1990.

The party "distances itself from all the actions that led to the BCP becoming a totalitarian party. It is a left-wing, democratic, and modern European party of the parliamentary type."

The BRSDP won no seats in the October 1991 National Assembly elections. Its leading organs are the Central Committee and Political Bureau (Secretariat), and its first secretary is Manol Manolov. The party's press organ is RABOTNICHESKO SLOVO (Workers' Speech), which is not at present being published due to lack of money. (No. 109, 5 Jun 92 p 12)

71. Democratic Movement for a Constitutional Monarchy

The movement started to be formed in December 1989, and held its constituent general meeting on 10 February 1990. It regards itself as "an independent political organization with an all-national character," and declares that "the Turnovo Constitution, which provides for a constitutional monarchy with a parliamentary government, is the only legal constitution of Bulgaria."

The movement has registered as a political party, but did not take part in any of the national elections. Its leading organ is the Ruling Council, with three co-chairmen: Konstantin Khalachev, Bozhana Milusheva and Mrs. Mushanova. (No. 110, 8 Jun 92 p 10)

72. Ruse "Kingdom of Bulgaria" Union

The union was founded in June 1990 in Ruse by a group of supporters who claimed that "they remained true to their oath of loyalty to tsar and homeland." The constituent conference took place on 15 August 1990.

The "Kingdom of Bulgaria" Union "works for the salvation, revival, and upsurge of the Bulgarian people and state by restoring the rule of the Bulgarian tsar and the Turnovo Constitution. It won no seats in the October 1991 elections.

The union's leading organ is the Board of Guardians, and the chairman is Georgi Bakurdzhiev. (No. 111, 9 Jun 92 p 11)

44. Alternative Social Liberal Party (ASP) (additional announcement)

The ASP held its third congress in Varna on 30 and 31 May 1992. Following the congress the Political Council elected Asen Michkovski and Iliyan Shotlekov as deputy party chairmen, Vasil Velinov as coordinating secretary, and Mariya Bogdanova and Angel Kondev as party spokesmen. (No. 111, 9 Jun 92 p 11)

73. Democratic Party in Bulgaria

The party was officially founded on 10 June 1990, and "unites democrats, veterans, and young supporters disillusioned with the machinations surrounding the restoration of the Democratic Party created by P. Karavelov, Al. Malinov, and N. Mushanov."

The party bases its program on "traditional democratic values, principles of social justice, and Christian ethics." It "holds centrist positions and is ready to cooperate with all moderate and constructive forces."

The leading organ is the Central Bureau, and the party's chairman is Kostadin Georgiev. (No. 112, 10 Jun 92 p 9)

25. Alternative Socialist Association-Independent (ASO-Independent) (supplementary information)

"The ASO-Independent held its first national conference in Sofia on 30 May 1992. The conference reelected Nedyalko Yordanov and Manol Manolov as party co-chairmen, and Lyubomir Stefanov as organizational secretary." (No. 112, 10 Jun 92 p 9)

74. United Agrarian Union (OZS)

The OZS was founded in Sofia on 31 October 1990 by a group of veterans and members of existing agrarian parties. Since 29 December 1990 it has been a member of the multiparty "Svoboda" Coalition for a Turnovo Constitution.

The OZS advocates the unconditional unification of all the agrarian parties and structures. It "fights for the

complete elimination of totalitarian power" and demands the prosecution of those responsible for the national disaster, but "is against demands for vengeance and settling of accounts." "At present the union has suspended its activities."

The union's leading organ is the Ruling Council, which has three co-chairmen: Yordan Dupinarov, Georgi Andreev, and Yordan Sadovski. (No. 113, 11 Jun 92 p 11)

75. Movement for Legality and Democracy (DZD)

The DZD was founded in Varna on 24 November 1989. It helped to form the SDS confederation that subsequently formed the basis of the regional SDS organization in Varna.

The DZD advocates replacing the system by legal means. It "does not regard the form of government of the state as a fundamental issue." It respects private, cooperative, and state property, giving priority to agriculture and industry.

As a member of the ruling SDS coalition, it holds two seats in the present National Assembly. Its leading organ is the Ruling Council, and the party's chairman is Mladen Enchev. (No. 114, 12 Jun 92 p 12)

76. Bulgarian Union for a European Federation (BSEF)

The BSEF was set up in December 1947 as an underground organization. It was dissolved in 1951, when its leaders received heavy sentences, and then restored in Sofia on 5 December 1989.

The BSEF believes in five basic tenets: "Communism is a crime against humanity; private property is sacred; and the nation determines the form of national government through a referendum," while the Turnovo Constitution and the state rule that existed in the Kingdom of Bulgaria should be adhered to until such a referendum is carried out; "freedom of the individual is guaranteed by the Constitution; and unification (federalism) is an aim toward which all nations in Europe should strive."

"The BSEF is governed by a Presidency consisting of Dimitur Popov, Borislav Tomov, Atanas Nikolov, and Asen Milenkov." (No. 115, 15 Jun 92 p 12)

77. Christian Democratic Union (KhDS)

At the First Extraordinary Congress of the KhDS held on 24 November 1991, it was decided that "the party is the successor of the New Christian Democratic Party." The latter party was formed in October 1990 "with the aim of uniting all free Christian Democrats," and held its constituent conference in Sofia in December 1990.

The ruling organ of the KhDS is the Supreme Council, and Anton Balev is party chairman. (No. 116, 16 Jun 92 p 13)

78. Federation of Anarchists in Bulgaria (FAB)

The federation was dissolved following 9 September 1944 and officially reestablished in Kazanluk on 20 May 1990.

FAB regards itself as the successor of the Federation of Anarchist Communists in Bulgaria, which "has been in a latent state since 1944." It "opposes authoritative tendencies in society and is categorically against violence as a means of achieving any ends. It is guided by the anarchist ideal of a just society without institutions of repression and violence." In the economic field it "advocates a social economy without exploitation and supports cooperative principles of association and production."

The party's ruling organ is the Federative Secretariat. Khristo Velikov is the party secretary. (No. 117, 17 Jun 92 p 11)

79. Bulgarian Socialist Youth Federation (FBSM)

The FBSM was formed in May 1990 following the 15th Komsomol Congress. It was officially instituted at a congress held on 7 July 1990 in Sofia.

The federation aims "to unite the Bulgarian youth on a voluntary basis around the ideas of democratic socialism." It works to protect the socially disadvantaged and to defend the freedom of all, advocating equal opportunities for employment and education.

The FBSM supports the BSP program, "but remains independent in the organizational respect." It holds three seats in the present National Assembly as a member of the Parliamentary Union for Social Democracy.

The federation publishes the newspaper DEKORATSIYA (Scenery). Its leading organ is the Federative Council, whose co-chairmen are Fidel Kosev and Stilian Ivanov. (No. 118, 18 Jun 92 p 12)

80. Christian Women's Movement (KhZhD)

The movement held its constituent conference on 11 October 1990 and was registered as a political party in December 1990.

The movement's members "are guided by the spirit of Christian morality and universal human values." It aims "to overcome the moral crisis in society and restore our national dignity on the basis of Christian values." It fights for women's rights in employment and the family.

The movement fought the last National Assembly elections as part of the Parliamentary Union for Social Democracy, and has one seat in parliament. Its leading organ is the Executive Bureau, and its chairman is Elisaveta Milenova. (No. 119, 19 Jun 92 p 10)

Meciar Addresses Slovak National Council

LD1507023692 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1130 GMT 14 Jul 92

[Slovak Government Policy Statement read by Prime Minister Vadim Meciar at the Slovak National Council session in Bratislava—live]

[Text] Esteemed Slovak National Council, ladies and gentlemen: Before I read the policy statement of the Government of the Slovak Republic, allow me to make a remark. Some time ago, I promised the Slovak National Council and the citizens of the Slovak Republic that I would be back. I have hereby fulfilled my promise. I have not returned alone, there are many of us.

I am hereby also fulfilling my pledge that this government will honor and protect democratic traditions and foster them in such a way that nobody will think, or need to seize power in the street anymore. Instead, it can be granted for four years through elections with all due respect to the citizens and to this parliament as a representative body. [applause] This government has emerged after a democratic election. Citizens have expressed their free will to resolve the position of the Slovak Republic as a subject enjoying political and economic sovereignty. They gave their backing to resolving accumulated economic and social problems, and to the removal of the ongoing moral and spiritual decline. The citizens' trust, expressed by the election results, has become the highest moral obligation for this government.

The government is presenting a program which spells out the goals and the means of reaching them from both short-term and long-term points of view. It gives prerequisites that so long as the majority of citizens adopt this program [words indistinct]

Democratic principles are the basis and an immutable principle of the government's activity. They will be reflected in the whole structure of its work. Our goal is civic society which will respect the Charter of Basic Human Rights and Freedoms and give equal opportunity to all.

The government identifies with a market economy, with continuing the transformation of the Slovak economy, with a measure of privatization, with the liberalization of prices and foreign trade relations, with the implementation of stable currency principles and circumspection in budgetary expenditure.

However, because the market has not developed so far, the government is counting on more active participation by the state when setting out strategy and supporting of this strategy by market-oriented means.

Implementing a selective development strategy will enable the government to create scope for managing the market adaptation of the Slovak economy well, and for integrating it gradually among the advanced nations of Europe. The government will welcome the entry of foreign capital and will create favorable tax conditions for investment.

The government's policy regarding the constitutional setup is to gain realistic equal positions for the Czech and Slovak nations. We declare that in our effort to complete the emancipation [of Slovakia] we will take only constitutional steps that are in harmony with internationally valid conventions and with the Constitutional Law of the CSFR. An inseparable part of these steps is full respect for the rights of national minorities and ethnic groups that are in harmony with valid international norms.

In its foreign policy the government will strengthen correct, friendly relations with all states and will strive for lasting economic, political, and social cooperation with them.

The government endorses an open and honest relationship toward churches, which have played an important role in the history of the Slovak nation as partners in forming the spiritual life of the community. Freedom of religious faith is a natural and undeniable right.

The government will subordinate its activity to the interests of citizens. We regard as our most sacred goal the creation of conditions for a dignified life of the citizen and his family and in order to achieve this goal we will adopt further measures for the implementation of deep changes in society.

Current world development is characterized by constitutional moves in communities comprising several nations, which are happening simultaneously with the development of various forms of integration and international cooperation. In this connection the government will strive for the calm and correct formation of a new relationship with the Czech republic, for the creation of such a model of coexistence between the Czech and Slovak republics in the framework of which the emancipation process will be completed by winning international status for Slovakia. In this process the government acknowledges the sequence of constitutional steps which will include the declaration of sovereignty of the Slovak Republic, the adoption of the constitution of the Slovak Republic—the draft of which will be presented to the Slovak National Council by the end of this month, the calling of a referendum on a new arrangement of relations with the Czech Republic and their embodiment in a treaty, and implementation of measures to acquire international status for the Slovak Republic.

The government expresses its interest in developing further coexistence and cooperation with the Czech Republic. We are convinced that the social situation will be favorable for a democratic and equal arrangement of relations between the two national republics as well as between nations and nationalities living in the Slovak Republic.

One of the government's main foreign policy tasks is to secure the dissemination of objective information about developments in Slovakia.

The government will strive to present the Slovak Republic to the world as uncompromisingly and irreversibly heading toward a market economy, perfecting its pluralistic political

system, and, while striving for emancipation, respecting the European democratic political structure.

The talks the government will hold will seek to assure our immediate and other neighbors that the individuality of Slovakia's activity in international affairs will be profitable for them, too, as they will gain a perceptive partner.

This mainly concerns relations with Hungary, Poland, and Ukraine. The border with Austria is important for Slovakia as it represents direct contact with a developed market economy. As a country bordering the Danube, we will develop cooperation with Romania, Bulgaria, and the other nations of southern Europe. We recognize the role of large countries. Good relations with Germany and Russia will influence peace and prosperity in central Europe. The government comprehends the significance of the United States for the security of our continent and welcomes the increased interest of the rich Group of Seven countries in the transformation of our economy to a market economy.

The government considers the agreement on Czechoslovakia's associate membership to the EC to be binding even for the Slovak Republic. We will do our best to make Brussels understand current events in Slovakia. We can assure that these events will not bring any changes in our obligations toward foreign countries. We can guarantee that all agreements concluded by the CSFR will be honored. We will apply the same principles toward agreements concluded with EFTA and other integration agreements.

The activity of the United Nations and the CSCE are an important precondition for positive developments both in Europe and all over the world. Slovakia will readily become coorganizer of these bodies' activities, as well as other organizations contributing toward international understanding and cooperation.

We realize that there are possibilities for economic cooperation even in those countries which we have grown used to calling developing countries. The government will also aim at intensifying various forms of regional cooperation, mainly in relation to the regions in neighboring countries, but also others in Europe and the world.

Until the state setup is resolved, the Slovak Government will participate in coordinating the foreign policy of the federation while respecting all international obligations assumed by the CSFR.

At the same time, the Slovak Government will establish its own international contacts. In addition to explaining the emancipatory efforts of the Slovak Republic abroad, these contacts will aim mainly at creating favorable conditions for the entry of foreign capital, obtaining increased foreign assistance, and improving the export potential of the Slovak Republic. We will prepare material and the administrative basis for hosting international activities in Slovakia and developing cooperation with countries in Europe and across the ocean, while stressing cultural, social, and economic aspects.

Looking at the recent period, it must be appreciated that the judicial and legal framework to form a market economy has been laid. Transformation of ownership relations and the development of private enterprise have begun. However, when new economic principles which rest mainly on a controlled measure of restriction were being put into practice, premature and unsubstantiated reliance on market self-regulation prevailed. This, together with uncontrolled opening up of markets and imports of consumer goods, led to a larger than necessary degree of economic collapse and subsequent social impact. Company insolvency has reached a level that threatens to end up in a collapse of the payments' system. Production has been substantially reduced and public demand paralyzed. The discrepancy between the drop in production and the unemployment trend together with a marked decline in productivity is a possible precursor to high growth in unemployment in the near future. The temporary, formal economic balance and the curb on inflation are a result, first of all, of citizens' willingness to be more modest in their demands, to reconcile themselves with the decline in the standard of living, in health care, in education, and in social care. It is also the result of freezing technological and development investment which represents a threat to the future. A warning signal can also be found in the decline in production and in the unemployment trend not showing signs of turning around. Conditions to launch the healing processes in our economy have not yet been created. In spite of an express shortage of financial resources, the active introduction of tendering for public works and contracts was not introduced. In privatization, where public competition was missing, the national property was in fact sold out to owners singled out in advance.

A strong social differentiation of the population is under way. This, however, is not always substantiated by clear entrepreneurial activities. At the same time, the system of tax collection and administration has not been developed sufficiently and has not adjusted to developing market relations. Large tax evasions limit the state's ability to maneuver in the social and structural sphere. All this means a substantial waste of resources and results in a substantial part of the population not trusting the reform processes in our society. It diminishes their readiness to adjust and leads to apathy. The government is taking over Slovakia's economy in a state of decline. We are faced with the demanding task of fully unveiling the causes of this status quo, to stop the crisis from developing, and to find the path toward development and stability.

The first step will be for the government to prepare, in the very near future, an analysis of the status of the Slovak Republic. The government intends to present this analysis to you by the end of August 1992. The essential point of departure is the socially oriented market economy. The government considers a functioning market economy with a social and environmental orientation to be the decisive precondition for the creation of a dignified life for the citizen and his family as well as for the overall enhancement of our country.

In its economic policy the government will strive to create a modern market economy with a prevalent private sector compatible and able to compete with the economies of the EC and other countries with developed market relations. Due to the fact that the process of transformation of the Slovak economy to market conditions has not been completed, in the transitional period the government will not rely solely on the market's self-regulatory functions but will intervene in the economy in a manner that is accepted in advanced democratic countries with a market economy. The government sees as its main task to positively influence the economic environment and to create space for the development of economic and entrepreneurial activity. It rejects in principle direct state intervention in the economy, but at the same time it will retain for itself the possibility of actively influencing the smooth running of the economy.

The government will initiate the creation of conceptual programs taking into account the need for a new economic structure as well as the need for direct integration into international economic relations. We will stimulate the implementation of these programs by tools commonly used in market economies.

The main task of the government's economic policy is to prevent the imminent disintegration of the Slovak economy, to create conditions for its revival and gradual, lasting development. To implement this task will be neither easy nor without conflicts, let alone completed in one try. The government does not have any magic wand to wave, but it has the main thing—it enjoys the trust of Slovak citizens who have been and still are regarded in the world as honest, capable, creative, and energetic people. [applause]

We will support anti-inflationary tendencies, work toward the retention of monetary balance and internal convertibility of the currency. The government is a guarantor that citizens will be able to have deposits in both domestic and hard currency and manage them freely. The government regards access to hard currency as one of the decisive factors of Slovakia's integration into international trade and financial relations.

The basis of macroeconomic strategy will be a policy of development which will replace the current indiscriminately applied restrictive policy which causes decline also in areas of the economy that have good prospects. In pursuing the policy of development, we will be selective in the revival of demand, while encouraging structural processes resulting in new quality and a range of supply.

In the interest of curbing inflation, the government is counting on introducing modern regulatory measures within appropriate limits. They are based mainly on the system of agreements and close communication between state administration bodies, businesses, trade unions, and specific pressure groups.

In order to follow the development of the economy, macroeconomic analyses will be carried out which will determine economic policy and respond in time to economic development trends, and be followed by changes to statistical systems. The latter's main tasks will be a speedy adjustment of form and data acquisition to the conditions of market economy, and the replacement of a national economy balancing system with a system of national accounts.

Along with worldwide trends, the government will support the implementation of a national program of introducing information technology to the Slovak Republic and of making Slovak information technology internationally compatible in content and organization.

A decisive role in the market economy will be played by currency, budgetary, tax, and price policies. In order to boost the economy, the government will support the more active and flexible use of currency and credit tools such as discounting, free market operations, credit policy, hard currency availability, and compulsory minimum reserve levels.

As an indispensable condition for the development of market relations, the government deems it necessary to support the building of a modern banking and nonbanking financial infrastructure. This requires the setting up of a system of well functioning, specific institutions such as a stock exchange, holding companies, stockbrokers and fund managers, insurance and assurance companies, and so on. It also includes the requisite tools, such as stocks, emission rules, an insurance and underwriting system, building societies, and so on. It is necessary to create a system of state supervision which will protect investors and prevent illegal dealing on the financial markets. We will initiate the creation of a national banking network and a common emission center with party representation of both republics.

From the vantage point of the Slovak Republic, we will foster relations with the IMF, the World Bank, the European Bank for Reconstruction and Development, the European Investment Bank, and other international banking and financial institutions.

With regard to the corporate sphere, the government will reevaluate the system of writing off corporate debts with the aim of addressing their primary and secondary insolvency. At the same time, it will initiate a wider use of bills. The operation of writing off corporate debts will be linked with a strict economic analysis of enterprises and an analysis of the behavior of the banking and monetary system. In some cases, it will end with liquidation of ineffective enterprises which are a hotbed of mutual indebtedness.

In the sphere of public finances, the government will implement the principle of budgetary sovereignty according to which the budgetary resources created on the territory of the Slovak Republic represent the revenue of public budgets, the state budget, and communities' budgets, or in other words of public special purpose funds of the Slovak Republic. The republic will be a sovereign venue of taxation policy. The implementation of the principle of budgetary

sovereignty requires speedy legislative changes. The government will initiate and press for the amendment of the law on budgetary rules, tax laws, and a number of other norms, including the compulsory registration of each economic activity on the territory of the Slovak Republic. At the same time, the government will create the prerequisites to ensure the revenue basis of communities so that they can carry out their basic functions.

Pending a state and constitutional set up on the basis of an agreement with the Czech Republic, the Slovak Republic will contribute an absolute sum toward payments for common needs.

With regard to enhancing the economic independence of regions and communities, the government will decentralize budgetary relations as a follow-up of a new territorial and administrative division of the Slovak Republic. For this purpose it will legislatively ensure the principle of allocating revenue from relevant taxes in the state budget, to regions and communities proportionally. The government will also consider the introduction of regional taxes and a way of implementing a system of budgetary solidarity among individual regions of the Slovak Republic. In the interest of ensuring sufficient budgetary capacity, the government will not permit excessive fragmentation of budgetary resources, which could be generated by creating a disproportionate number of nonbudgetary public funds earmarked for special purposes. In the context of the bill on the Slovak Republic's state budget for 1993, it will propose setting up adequate emergency reserves.

In taxation policy it is necessary to bring taxes into balance with the taxes in the Czech Republic and in EC countries, to implement tax equality regarding citizens in line with the charter of basic rights and freedoms, to support the development of small and medium-scale businesses, to support the entry of foreign capital through tax incentives for newly established businesses, tax incentives for business units which create new jobs and invest in line with the investment strategy geared toward restructuring the economy. Without delay, the government will deal with the issue of working pensioners through the abolition of the double rate of income tax. An inevitable task in the sphere of taxes is the adoption of the Slovak National Council's act on tax administration. The government will adopt measures to prevent tax evasion. It is inevitable that a substantial improvement will be made in conditions for the work of financial bodies and their staff through a permanent improvement in their professional competence, through increasing their numbers, and through appreciation of their work. The transition to the new tax system which comes into force the next year, the increasing number of businesses, increasing economic delinquency, as well as a number of other factors call for a substantial increase in the capacity of tax administration. Depending on the developments in this sphere the government will consider forming a special financial unit directly subordinated to the Finance Ministry. Other measures in this area are provisions for close cooperation between tax and customs administration and the formation of a financial police. We have to adopt measures for the protection of the market in the interest of support for local producers and in line with international agreements. At the same time, we shall have to provide for the implementation of powers in the sphere of customs policy and for moving customs matters to the jurisdiction of the Slovak Finance Ministry. The government will consider the expenditure/income balance of the state budget from a long-term perspective and in line with the global monetary balance. At the same time, the government will strive to prevent the cumulative effect of piling up budget deficits. The expenditure part of the state budget will be reassessed from the point of view of current potentials, as well as from the point of view of efficiency and purpose of spending budget resources. The budget priorities will be set within this framework to provide for legally stipulated payments and their adequate valorization. The government will secure the transfer of financing state policy in unemployment, health care, pensions, and sickness benefits to new public funds operating on the same principles as financial institutions.

When resolving financial relations in the sphere of health, education, culture, and so on, strict care will be taken to rationalize the management structures, to separate auxiliary activities from it and to introduce consistent privatization. The government considers the development of infrastructure, activation of housing policy, and actions to increase the energy potential and other structural changes in the economy as the most decisive factors in the development of the economy. For this reason, all well tested economic and financial instruments will be utilized, including underwriting of bank credits, including via specialized institutions such as underwriting banks.

Spending of public resources will be subjected to strict criteria. In the present shortage of financial resources demand for financial discipline will be increased considerably, the system of financial controls will be strengthen by setting up the highest control body of the Slovak Republic. At all levels where public money is spent the competition principle in public services and work has to become a norm.

Depending on the development of an internal competitive environment, the process of price liberalization will continue. We will implement a purposeful regulation of prices in spheres where the competition environment is absent, or respectively if these are the essential basic requirements. This concerns above all the sphere of fuel and energy, the agriculture and food complex, housing, and health care.

The government sees the need to assert the basic principles of the economic reform, the need to continue the process of privatization, to complete the liberalization of prices, to respect criteria of currency stability both in the domestic economy and in external economic relations as its basic tasks in the economic sphere. The government will continue the privatization process with emphasis on consensus and clarity. It will push through changes in the legal framework of privatization which will accelerate its

progress and reduce the accompanying negative phenomena. The government will draft a concept of privatization in which it will reflect, as basic principles, the support for domestic business and the creation of an environment for competition. At the same time, the concept will take account of the specific character of sector economies, profiles of individual regions, and the situation on local markets. It will outline state participation in strategic spheres and the best forms of its administration. It will also outline principles of stimulation and purposeful orientation of entry of foreign capital into the privatization.

The government will initiate a simplification of legal regulations for the next stage of privatization which will, for example, enable sales of property to domestic subjects even for break-even prices and will make it easier to privatize property affected by restitution claims. Means gained from privatization will be used for these purposes. Greater scope will be given to repayment forms on credit in the privatization process while at the same time reducing ready money payment, or possibly selling shares on the basis of option agreements. When transforming enterprises, it will support sales to competent managements and employees. In the interest of clarity of the privatization process, the government will give priority to the competition principle in the form of public or closed competition while observing the objective character of decision-making.

The government respects the progress of privatization so far. In the next period, it will reduce to a minimum the risk of cheap sales of national property abroad and undesirable concentrations of ownership.

The government will support the establishment of a parliamentary commission for control over the privatization process. It will propose measures to make capital links clearer and in justified cases of suspected violation of the law it will call for a check on the progress of the privatization process to date.

The government guarantees to honor the pledges undertaken so far toward foreign partners. It respects the legal norms adopted so far for the protection of foreign investment and in the next period it will create broader legislative and organization conditions for the entry of foreign capital, above all to selected regions and branches.

We will resolve speedily the question of stabilization of enterprise management while the increasing demands on their activity will be rewarded by more generous forms of an interest in the long-term economic results of the organizations.

By fulfilling the strategic aim of the Slovak economy—production and trade integration into the European and world market—the government will be implementing a structural policy. The structural policy will emerge from the assessment of the comparative advantages and disadvantages of individual production branches and sections while main account will be taken of the export ability of production, the state of the production and technical base, the possibility of their development, the possibility of production innovation, material and energy use, use of our own material base, and impact on the environment.

In order to support the implementation of structural changes, the government will prepare conditions for establishing a bank for structural and regional development as a purposeful institution to increase business initiatives and activities.

In regional economic policy, it is our aim to draft government programs which will promote the structural adaptation of regions which will enable a greater creation of sources for development trends also from the point of view of the economy of the Slovak Republic. Using instruments of social solidarity we will prevent the creation of significant differences in living conditions in economically weaker regions. The setting up of regional technical and innovation centers, chambers of commerce and trade, associations, banks, insurance companies, and so on will be a part of the regional structural policy.

We are interested in the protection of permanent natural, civilizational, and cultural values in Slovakia and the rational utilization of the territorial prerequisites for the development of the Slovak republic. This year the government will draft a charter of principles for the territorial development of Slovakia as a document for future repopulation and urbanization with specific focus on proven cases of depopulation of some parts of regions and some villages.

The solution of environmental problems is seen by us an integral part of the transformation policy. Harmonizing human activities with nature has to become the basic strategy of creation and protection of the environment.

We will insist on all new investment projects taking into account internationally valid ecological norms. At the same time, it is necessary to quickly remove the negative consequences of existing sources of pollution. The government sees as justified institutional care for the environment which guarantees a separation of the protective functions of the state from functions linked with exploitation of natural resources. A special approach is needed to resolve the situation in the Slovak mining industry. Mines with lower level of running cost have a chance of surviving. Mines which are not efficient will have to be phased out gradually. This plan has to be linked with the creation of new jobs.

The government will strive to ensure self-sufficiency in electrical power supplies for the Slovak Republic. Emphasis will be placed on the rationalization of energy production and consumption. On the side of resources, the government sees as priority tasks: the completion of the Gabcikovo water project, modernization of existing sources of energy, and improving the schedule for the completion of construction of the Mochovce nuclear power station. Further utilization of the hydro-energy potential of Slovakia with accelerated implementation of those projects already designed, and increased utilization of secondary and renewable sources of energy will be a part of this program.

In 1993, the government will assess comprehensively the further development of the power industry in the context of the development of the economy as a whole.

On the side of consumption, the government will implement programs supporting the use of meters and regulation equipment. It will support measures to stimulate the implementation of energy saving. Industrial policy will focus on reducing production ranges and increasing finished production. We will support a high level of utilization of own materials, a reduction of energy consumption, an improvement of production quality, and efficient exports.

We will pay special attention to reassessing the progress of phasing out armament production, while respecting real political criteria and economic possibilities. The government will strive to implement the process of conversion in keeping with the justified needs of a stable economy and the creation of resources for the restructuring of the armament industry.

As a result of a profound drop in investment, the government wants to solve the issue of employment priorities in investment policy as drafted to date. In housing construction, the government will create conditions for the completion of unfinished projects in the former comprehensive housing construction sphere and will reassess the system of financing housing construction to date. In the interest of a positive solution to the housing issue, we want to make use mainly of direct sale of apartments, savings schemes in building societies, initiatives put forward by villages and town, and citizens' initiatives too. The government will provide legal documents making the solution of housing construction issues possible in conditions of a market economy.

The government is aware of the need to formulate social and economic functions of trade and tourism. Because of the marked increase in the number of business entities active on the market, it will set up legislative prerequisites and a consumer protection system with the aim of preventing an influx of foodstuffs unsuitable from health point of view, low-quality consumer goods, and dishonest business practices. Legislative norms in this sphere will be amended so as to enable considerably tougher punishments and confiscations of licenses to execute relevant operations in the cases of more serious or repeated violations of the principles of correct business practice.

Because of Slovakia's natural and geographical conditions tourism has a chance to take up a strategic position in the economy. Basic restructuring of the development of tourism must take place on the basis of an integral conception. Its implementation must be based on competition among variant projects, which will create most job opportunities, enable the best utilization of existing capacities, including the use of the existing housing stock in the countryside, which will make use of mineral water resources, of religious, cultural, and architectural monuments, and which will take into account ecological criteria. We regard the private sector as the decisive factor which will increase the dynamism of its development.

With regard to Slovakia's advantageous geopolitical and geo-economic position, the reconstruction and completion of the transport and telecommunication network can play important role in its economic development and linking it with the European network will make possible the development of tourism. It will boost international transport and foreign capital influx. We will therefore pay a lot of attention to the development of the obsolete transport and communications infrastructure. The government will finalize the transfer of powers in this sphere to the jurisdiction of the Slovak Republic. It will support preferential development of international routes and combined transportation in line with international agreements and European Community agreements. In water transportation, we will develop its transport and handling capacities. As a follow-up of the construction of the Rhine-Main-Danube canal, we will continue to reconstruct our section of the Danube to turn it into a deep-water transport route and make lower Vah and lower Morava navigational.

In the sphere of roads and urban public transport, we envisage a considerable development of competition by giving support to private enterprise and aiming to reduce subsidy demands on the state budget. The government will consider a proposal to set up a national airline company.

In the sphere of telecommunications, we will continue the construction of an overlapping digital network and international digital high-capacity transmission lines and in offering new telecommunication services, for they are an unavoidable prerequisite for our telecommunications joining a modern European telecommunications network.

The government regards the ecologically, economically, and regionally balanced development of agriculture, forestry, and water economy as one of the crucial conditions for the further economic and social development of Slovakia. The government intends to gradually complete the settlement of ownership relations regarding agricultural and forest land and other property while harmonizing the interests of owners and users and securing equality of all forms of enterprise. With the intention of removing the legal uncertainties of working the land, the government will speedily reassess the effectiveness of existing laws and initiate amendments in particular to the law on land ownership and other agricultural property ownership, to the law on property ownership and settlement of ownership rights in agricultural cooperatives, and to the law on forests. The government will pay special attention to promoting a balanced population and stopping the flow of people away from the countryside with adverse working conditions, and from mountain areas.

The Slovak Government's long-term goal in agriculture is to secure self-sufficiency in food production in Slovakia, gradually revive and improve the quality and level of food consumption. The government will initiate the adoption of a law on foodstuffs, food regulations, and other legal norms related to the production and supply of quality food products. On principles of market economy, it will pursue an active policy in forming an organized

market in agricultural products and foodstuffs, in respecting the specifics of agricultural production. This will involve, in particular, implementation of modern regulatory measures using the experience of advanced countries. The government will apply differentiated and time-limited protection of the domestic agricultural and food market against imports, in harmony with approved international obligations. By pursuing an active pro-export policy, the government will encourage advantageous export opportunities.

The Slovak Government's immediate steps will aim at putting right price deformations and imbalances on the agricultural market. The first significant step of the Slovak Government will be to regulate this year's grain market. The government will work out a long-term concept of agricultural and food policy which it will start implementing already in the 1993-94 economic year.

The government's aim in the improvement of Slovakia's forests is to support the balance of productive and nonproductive functions of forests, to keep and improve ecosystems in individual Slovak regions. The government will promote the restriction of harmful elements which substantially contribute to the bad state of Slovak forests, and support projects to remove the damage inflicted on forest growth so far.

The government will concentrate its policy on purposeful management and protecton of forests including the rational safeguarding of publicly beneficial functions of forestry for which it will create the appropriate economic conditions.

In water management, the government will create conditions to alleviate pollution, curb the high losses of drinking water, better utilize water's enegry potential, support the ecological protection of territory, protection against flooding, and for recreational and sport utilization. It will support the completion of drinking water resources not under consturction and new construction in other areas now suffering from shortfall.

The government considers it to be a social priority to create a socially oriented market mechanism built around the interlinked economic and social transformation of society. It is the very separateness of these processes that has led to a disproportionate growth in unemployment, the drop in real wages, an increase in living expenses, and the increased number of people relying on social benefits.

A significant number of households rely on social security and their number has been steadily rising. It it therefore imperative to enhance the economical and social confidence of the family. It means bestowing more rights and responsibilities on the family for its functioning. It is also necessary, however, to give each single citizen more responsibility for his own economic and social standing.

The immediate goal of the linkage of the economic and social transformation of society must be to slow down and eventually stop the downward trend in the population's living standard. The government considers it to be its economic priority to devise a program of job creation. It aims to reverse and eventually stop the unemployment trend. The macroeconomic policy of employment will thus be based on restructuring and priority job creation mainly in the regions where the unemployment is highest. In the interests of diffusing the tension on the labor market, we shall start community work programs in the areas of technical infrastructure.

We want to change the passive role of job centers to an active one. Its priority will be to instigate job creation. These jobs will be created mainly in small and medium-sized business, and in the market for part-time vacancies.

By an effective tax policy, we want to support mainly the employment of young people and the disabled. While creating and filling new jobs, a significant role will be played by the system of effective education and retraining of the unemployed as well as those employed in firms under conversion.

The creation of a competitive environment through the foundation of private institutions offering job-linked services will have impact on the quality and efficiency of state administration especially in job finding, in training and re-training. We want to create the conditions for developing job-linked public services independent of state organs. In carrying out the state policy on wages, the government will base its activity on the mutual link between incomes earned from employment and the trend in the cost of living. The principle of collective negotiation and the agreements of social partners will form the basis. The state will intervene into the processes of negotiation at the level of the tripartite only through an overall control of the proportionality of wage development so as to secure its noninflation course and to respect the development of consumers' prices and of the cost of living.

The rules for wage regulations in organizations linked to state budget will be amended. The objective is to provide for an adequate wage increase comparable to other sectors of national economy. The adequate relations between the minimum cost of living, minimum wage, and pension where it is the only source of income, as well as additional insurance so that it opened for an individual and for a family a space for their own strategy in social security. Thus, in connection with other measures implemented in employment policy, conditions for an earlier or gradual retirement will be created, these being based on citizen's own decision and in line with the envisaged changes in social insurance.

As for the status of women, the government will move that the period of care for pre-school age children be included into the calculation of years of employment and the amendment of child benefits to the level of net minimum wage in accordance with the birth policy of the state. The government will strive to introduce further days off with the aim to come closer to the standard of European democratic countries in this area.

The saturation of the most essential social needs will be guaranteed by state social support and by social aid given to the citizens whose economic circumstances demand it. Instead of the indiscriminate approach implemented so far, the principle of discriminating the addressee of the benefit will be introduced. The state social benefit will help to cover the cost of living in a differentiated and targeted way. It will assist families with unemployed members or in cases when the family is not able to resolve the situation on their own. The social aid [socialna pomoc] that will replace the present social care [socialna starostlivost] will be provided along the same principles in cases of insufficiency or failure in the family's own resources or in case the family is not able to put these resources to use. Following this principle, the assistance given to low income families will be markedly enhanced. The whole area of social assistance must be characterized by humanly dignified conditions of its implementation, as well as the high professional competence of the staff providing it. These staff need to be trained for this work in a systematic way. The valorization mechanism will be applied as a principle in the whole area of social policy. This mechanism will be hooked onto the trend in the cost of living and the development of wages.

Through legislative and economic means, we shall create also conditions that will enable to take into consideration social aspects also in housing policy, including the protection of tenants rights.

As for the social aid provided to the old and to the handicapped citizens, substantial changes are to be achieved in the development of home care and in the enhancement of human aspect of conditions in social care institutions. What is most important, a better integration of these citizens with their natural family environment must be achieved. The government will adopt measures for a complex provision of rights of handicapped citizens. Conditions for health, social, and occupational therapy as the basis for the social integration of the handicapped will be created. Instead of one, poorly functional state social network, conditions will be introduced for the creation of the system of mutually interlinked social networks run by both state and nonstate entities. The social aid will be markedly decentralized, with the performance of the aid down at the community level. The objective here is to come as close as possible to the citizen and to its problems. The government considers the social partnership to be one of the principles of the democratic system in the area of labor relations, which efficiently helps to maintain social peace even in complex situations. The government will therefore deepen the cooperation with social partners, employers' organizations, and trade unions. We consider the Council of the Economic and Social Accord to be a necessary and useful body which approaches the solution of basic economic and social matters in a matter-of-fact way on the principle of social dialogue. The government will support processes aimed at the perfection of labor and employment matters and it will strive to push for the implementation of internationally valid principles in the participation.

As for health care, the government will base its activity on the urgent need to stop the declining health of the population. The health care reform that had been launched has markedly slowed down. This causes substantial dissatisfaction on part of citizens and health care workers. It is necessary to set out on the journey leading to the revival of the health of the nation through the concept of the health as a balanced unity of physical, mental, and social health, through guding the citizen to the awareness of one's own responsibility for one's health.

Slovakia ranks among countries with an outdated organization of health care and with an unsufficient and outdated technical equipment.

It has been possible to maintain professional standards up to now only thanks to the considerable effort of the health care staff. The government will carry out changes leading to improvement in this sphere. Proceeding from the principle health for all, the basic component of health policy is to grant health care to every citizen in our republic according to the needs of his health and financed according to principle of compulsory health insurance, while the state will be take up a legislative duty to pay for economically nonactive inhabitants. The insurance system will lead towards radical change not only in the financing of the health care, but will have also positively affect the quality of relationship between doctors and patients. The first fundamental step is to put an insurance system into effect. It will culminate by setting up insurance companies which will have regional jurisdiction and which will provide possible coverage of the Slovak territory. Regional insurance companies will be self-administered legal entitites and the sum total of them will form an integral public and legal financial institution. This approach will enable the decentralization of funds and their best possible utilization.

Along with this, we shall support the creation of a system of additional health care insurance.

The second basic step of the reform is the denationalization of a part of health care facilities, the putting on equal footing the position of private, regional, community, state, charity, church, and other health care facilities. The drafting and adoption of intertwined legislation defining rights and duties of citizen, health care facility, employer, and state will be an inescapable precondition for these measures.

The sorry situation in the state of our population's health is not only a consequence of the long-term neglect of the

health care, but it also reflects a wide complex of improperly solved or unresolved problems concerning all society, as are the environment, nourishment, diet and so on. Plans which will lead to the fulfilment of the national program of support for the health of the population will be drawn up, while all correlations will be taken into consideration, with the aim to raise the average age of our citizens and to improve the quality of their health.

The government's efforts will be aimed at the building of an effective information system on the population's health serving the functioning of the natural control mechanism and the management of state health care policy. With regard to the demanding nature of the health care reform, the government will push for close cooperation among the resorts on the level of government, ministries, professional organizations, professional associations, and trade unions.

The effective program for the renewal of our educational system is the key prerequisite of spiritual development and economic prosperity of our society. The recognition of the plurality of views and freedom of thought, as a starting point of all changes in the education and upbringing of young people, is the primary source of change in this renewal. The fundamental task is first and foremost to improve tuition in primary and secondary school and to adapt its content to the spiritual needs of the present Slovak society and to the development trends in Europe and elsewhere in highly civilized world. The government will support the activities of all physical and legal entities, which will further, regardless of their political affiliation and conviction, the emergence of nonpolitical and nonideological innovations in education and upbringing work. The government will therefore create adequate conditions for the existence of state, private, church, and alternative free schools and for the development of general education free of excessive indulging in theories and encyclopedism.

Operative learning, leaning upon the world of experience and upon the interpretation of the world based on the standard of knowledge, must be reinforced.

The government considers it important to include in the system of teaching at primary and secondary schools obligatory ethical education based on the choice between the teaching of religion or ethics.

We shall pay particular attention to creating optimum conditions for the education of disabled children and young people which demand increased special attention. The government takes it as its task to contribute to the creation of peaceful working atmosphere in schools by a personnel policy the only criterion of which will be the level of professionalism and ethical purity.

The government is aware of priority of the changes of content over the changes of structure, it will support the projects aiming at preparing alternative teaching texts, while recognizing the possibility of selection of various prices and ways to the implementation of the right to education. The government will also promote the intensive preparation of education standards for individual types of schools and will prepare a school system of the Slovak Republic on the level of international standards.

The government will create conditions for maximum variability and (?permeability) of the school system.

The government will also promote the restoration of schools with only few classes in villages.

An important source of change in the restoration of education will be impulses following from the transformation of the economy and the changing labor market. Therefore, the government will go on to develop the process, which has already started, of restructuring apprenticeship centers and specialized secondary schools and in the system of schools in such a way as to make them correspond with the needs of labor markets in individual regions. We shall comprehensively deal with the problems of training apprentices. In education, in the areas with mixed nationalities, the government will create conditions for a thorough learning of the Slovak language as the state language in all types of schools and at the same time it will secure education in the mother tongue of the nationalities and ethnic groups. In higher education, the government will continue to transform the current system of higher education to change it into an open and flexible system which makes possible a wider access to [word indistinct] higher level of education. It will pay particular attention to the creation of higher education of the nonuniversity type and to postgraduate studies, and also to the development of private education.

The government will create conditions for improving the qualification of young people in the form of study, requalification, study abroad, in particular for the needs of foreign service, finances, and management.

At the secondary and higher education level of the school system, along with institutions outside schools, conditions will be created for the formation of a complete system of life-long education. The government sees sport, physical education, and tourism as a part of the harmonization of the life of citizens and the reinforcement of their physical and mental health. To develop them, it will create legislative, economic, and institutional conditions, and this also in the top sport which represents Slovakia in the world. Also villages, cities, and civic associations should support all forms of physical culture.

The government will thoroughly apply and develop system measures in the area of state policy towards young people which will represent the summary of state activity for the benefit of young people, for their protection, support, and the improvement of their living conditions. The state's care for young people will be codified in a legislative way in the bill on the protection of children and in the bill on the fund of young people and in the amendment of functioning of state administration in the conditions of regions of towns and villages. The government sees science and technology as an important

factor for finding the development level of society, for the condition of technical development, and for the development of home industry. The basis for the development of science in Slovakia is the freedom of scientific research and its independence from ideology. In research, we shall support competitive spirit and for this we shall make use of an improved system of grants. The government will support the development of science, with emphasis on concrete programs, and will create financial and organizational conditions for interlinking scientific, development, and education activity in the institutes of Academy of Sciences, at institutes of higher learning, in research institutes, and in economic and other organizations. The government supports the restoration of our original spiritual and cultural principles, the tradition of Cyril and Methodius, based on the ethical principles of Christianity and on civilization values of European culture, and their organizational embodiment to the system of values of modern democratic society. The basic principle of culture is freedom which secures the penetration of cultural richess of other nations to our surrounding and at the same time the presentation of the Slovak culture and art and of the culture and art of national minorities to the world. Our most beautiful national and cultural institution—Matica Slovenska—has an irreplacable place in the formation of the awareness of Slovak identity in our country and in the world. The government will support it in all possible ways. The government will initiate the setting up of nongovernment organization, for example in the form of a foundation attached to the Matica Slovenska which will act towards the unity of the Slovaks in the world with the support of the state and of lawful funds also in the areas uncovered by our representative bodies.

The government will develop and integrate Slovakia's culture into the sphere of international relations and into the European, mainly Central European, integration processes. It will try to participate in international systems providing for the implementation of human rights, rights of ethnic minorities, and ethnic groups. It will support parity or parallel representation of the Slovak Republic in foreign relations and in international organizations. The government intends to develop new information environment that will provide for the information on cultural events and on cultural heritage both inwards, for the Slovak community, and outwards. We shall create conditions for the mutual link-up of the individual component parts of the art, for the cooperation of creative artists from different walks of art, and we shall support especially the indigenous work of art in all branches of art. The best possible conditions for creative work will be established for the top art and the top artists. The government will try to salvage and to protect the cultural heritage. It will devote attention to the care for cultural monuments. It will create a system for the protection of movable cultural assets and works of art. It will strive to bring from abroad back to Slovakia works of art that were illegally moved from our territory. Attention will be also given to the local culture, to the development of basic centers of the cultural and artistic activity of the nation, to the development of a functioning network of libraries, galleries, and to amateur art activities. The creation of the synthetic encyclopedic works in the individual branches of the Slovak culture will become an enrichment to the national fund of culture. The Pro-Slovakia fund will be also put to use to finance the implementation of the culture policy. The system of foundations and sponsorship will be supported as well. The government will deal with matters concerning book culture and book distribution, Slovak cinematography, support for professional periodicals, and the completion of the building of the Slovak National Theatre.

As for the information policy and the policy on mass media, we want to stimulate the creation of conditions favorable to the independence of information and mass media. The basis of this must be an act on mass media. This act will outline legal space for independent, journalistic, and creative production and will also stipulate citizens' right for the dissemination of true information. It will also form a basis for the completion of space for the implementation of this right. At the same time, we want to complete the process of providing legislative backing to the development of public mass media institutions, according to international legal norms and according to recommendations made by European Communities. Radio and television must be fully transferred under the jurisdiction of national republics. The government will fully respect the right of the opposition to the free dissemination of information and will use the mass media for a constructive dialogue with all those who are interested in Slovakia's prosperity. We find it important to stimulate the collection and processing of economic information to serve the needs of entrepreneurial activities in Slovakia. We shall create conditions that a true, undistorted picture of Slovakia and its people be formed abroad. For this purpose, we shall provide for the broadcast of radio information for foreign countries from Slovakia. We shall offer foreign journalists accredited in our republic the space for an unlimited gathering of information about our country.

We consider members of national minorities as part of the community, as an equal partner of Slovaks. The government will ensure free, unhindered development for national minorities, development of their national, ethnic individuality, their language, culture, and education. Respecting of rights of citizens of the republic regardless of their national, ethnic origin will be a natural part of the government's policy towards nationalities. On the issues of national minorities and ethnic groups, we shall proceed from the standard of international treaties on national minorities issues.

The support for Slovaks representing national minorities in other states and efforts to conclude such treaties which would ensure for them in those states equal rights and possibilities for development will also be a part of our effort. We stress, however, that the high standard of care for members of national minorities in Slovakia will not be reduced or become conditional to immediate reciprocal measures in the sphere of care for the national Slovak minority on the territory of other states.

We are aware of the past and present role of the church in sustaining national awareness of Slovaks. We accept with gratitude and respect the decision of the Holy Sea to set up an independent Slovak church province enhancing Slovak people's self-confidence and right to self-determination. We shall contribute to the development of Roman Catholic, Greek Catholic, Orthodox, Evengelical, Jewish, and other religions and to the free development of these communities. The government acknowledges its duty to find a correct solution to the relationship between the state and the church, its effort to reach a consent and understanding also in the sphere of property claims of the church, and in the enhancement of the representation of the church in Slovak society spiritual life. We support ecumenical initiatives, we regard the work of the church, including its widening influence in education, as a positive phenomenon, as a prerequisite for a spiritual renewal and fruitful life of both, the Slovaks and members of national minorities.

The Slovak Republic's position will require for its state organs to take over the protection of the state borders of the Slovak Republic, the intelligence protection of important state interests, and to provide information necessary for top state organs of the Slovak Republic to be able to take decisions. The government will support and assert the process of disarmament in Europe and in the world. It will follow constantly the completion of redeployment of troops of the Czechoslovak Army on the principle of equal division of all types of troops and special troops. It will strive for changes in the organizational structures of the Army and for changes in the professional selected functions of the Czechoslovak Army. It will strive for the reduction of basic military service, for the protection of citizens and property, and for the transformation of the civil defense system where it will assert for it to be controlled by the Slovak Government.

The government considers it vitally necessary to draft and implement an extensive and long-term program on fighting crime which threatens freedoms of the individual and the society. Putting an end to the increase of the number of crimes and its reduction is seen by us one of the basic element stabilizing the society. We shall assert prevention of corruption which threatens the progress and results of changes in our society. In this connection, we shall pay a special attention to matters of police, judiciary, and control. In the sphere of the protection of property and justified interests of the population, it is necessary to increase the emphasis on the concept of seeing the police as a service for citizens the task of whose is above all to guarantee safety for all citizens and visitors in the Slovak Republic.

At the same time we shall focus also on those spheres where the interest of citizens as individuals are not threatened directly but interests of a society as a whole are threatened. With all seriousness and resoluteness, it will be necessary to prevent the surge of organized crime. The government will take care that the principle of citizens' presumed innocence is respected and that the Human Rights Charter is implemented. We shall create the necessary organizational, personnel, and material conditions for smooth decision taking by civil courts in order to provide an effective protection in legal family matters, in the protection of property rights of physical and legal entities.

The government will put into effect measures related to the abolition of the office of state notary and to the creation of an institution of a notary, as an independent administrator, entrusted by the state to execute, in its name, the work entrusted to him by the law on private business basis. We shall ensure both the legislative and organizational improvement of the penal system and of detention and imprisonment law. We shall ensure the improvement of the work of prison and judicial corps. The creation of the Slovak Republic control system will proceed from the current and newly arising socio-economic conditions as well as from the guidelines, methods, and principles for the building of independent control bodies in the sense of the (?Leipzig) declaration. The government's key role in this sphere in the coming period will be to establish a new, supreme control body holding a special position in the system of Slovak Republic state bodies, written in the Slovak Republic Constitution, independent from the government and its bodies and from the central bodies of state administration. The work of the supreme control body of the Slovak Republic will focus on the management of the Slovak Republic, from the viewpoint of legality, purposefulness, cost effectiveness, and efficiency. A control body of the Slovak Republic Government will be established in order to ensure state control in the sphere of state administration. In keeping with special regulations, its role will be, in particular, the control of the fulfilment of the tasks of state administration, processing complaints and petitions, coordination of the controlling activity of state administration bodies, inspection of supervision, granting methodical assistance to the bodies of state administration, and self-administration in the sphere of controlling activity.

The government is pressing for a democratic law-governed state based on political and economic plurality; on fundamental social guarantees, humanism, and understanding; on national, ethical, and religious tolerance.

The government will consolidate parliamentary democracy with a parity election system in which a scope for a direct [priama demokracia] democracy will be broadened.

The government will give its backing to the territorial decentralization of the administration of society. Each community, association, village, town, or region should have the right to free self-administration for the benefit of the people. We shall give our backing to the adoption of the law on territorial and administrative division of the Slovak Republic which will be instrumental in pushing for a rational system of state administration, which will improve the quality of the execution of the posts for the benefit of the population, and which will at the same time enhance the self-administration of the regions, towns, villages, and citizens' associations. In

connection with its support for local democracy, the government will be pressing for the decentralization of financial resources and for enhancement of the financial basis of towns and villages. The demonstration of democracy in the communities is citizens' participation in the decisionmaking on key issues of development of villages and regions. The government will support the fact that elected representatives of towns and villages should be responsible to a citizen who elected them for the administration of public affairs.

In the framework of financial management of towns and villages, we will assert the creation of balancing budget mechanisms in order to create suitable living conditions for inhabitans of villages, towns, and regions. In the legislative sphere, we will support the establishement of constitutional, legal prerequisites for local self-administration also by the ratification of the European Charter on local administration. The government will support measures aiming at improving the work of the state apparatus, removing the red tape from it, and aiming at preventing corruption of state employees and staff working in the state administration. We will support the introduction of the institution of state service to which people will be selected strictly according to their expertise.

Our government pledges to be dynamic and democratic at the same time. The government will work on principles of modern management using a broad spectrum of expert advisory organs. We consider it necessary to keep in a dialogue with citizens, to create a system of feedback links on the basis of which we will be able to react flexibly, pragmatically, and also sensitively to developments in the society. The government is convinced that a majority of citizens will identify themselves with the submitted government policy statement. The government appeals to all citizens of the Slovak Republic for active cooperation in implementation of this program and thus also to you, esteemed ladies and gentlemen deputies from opposition parties. Let us join our efforts, in the name of Slovakia's future. Let us utilize the well known, and recognized for centuries, hard work and creativity of our citizens to arrive at a success jointly by purpose and hard work and then Europe and the world will be able to say: Yes, Slovakia has done it. Slovakia has succeeded! And all of us who are here today will also be able to say in four years time: Yes, we have done it together. In the name of this, I ask you to give your trust to the government. Thank you for your attention.

Slovak Program Debated by Parliamentary Groups

LD1407225692 Prague CSTK in English 2127 GMT 14 Jul 92

[Text] Bratislava July 14 (CSTK)—According to Peter Weiss, chairman of the Democratic Left Party, the Slovak Government programme is unbalanced and does not define priorities of economic policy.

Weiss said the Slovak National Council (Parliament) could hardly be able to fulfill its functions towards the Government and the programme thus becomes uncontrollable.

The Slovak National Party's [SNS] group in the Slovak Parliament believes the Government's programme bears social democratic features, deputy for SNS, Vladimir Miskovsky, said at today's debate in the Slovak Parliament on the Government programme.

He said the issue of Slovakia's participation in international organisations is not realistically outlined in the chapter concerning Slovakia's future state setup and the Government has not specified steps aimed to achieve international-legal status for Slovakia.

According to MKDH [Hungarian Democratic Christian Movement] and [word indistinct] parliamentary groups, the Government programme leaves many questions unanswered.

Deputy to the Slovak Parliament, Arpad Duka Zolyomi, said on behalf of these parties, that the Hungarian parliamentary groups criticise the Government programme for discriminating against national minorities, mainly in the education area.

Former Slovak premier Jan Carnogursky (KDH) [Christian Democratic Movement] told CSTK today that while setting the goal of achieving full international-legal status for Slovakia, the Slovak Government programme offers no guarantees for Slovakia.

Foreign Ministry Welcomes Yugoslav Peace Talks

LD1407135392 Budapest MTI in English 1311 GMT 14 Jul 92

[Text] Budapest, July 14 (MTI)—The Foreign Ministry of the Republic of Hungary has issued a statement concerning the crisis in the territory of the former Yugoslavia. The full text of the statement, read out by foreign affairs spokesman Janos Herman in a Tuesday [14 July] press conference, is printed below:

"The Foreign Ministry of the Republic of Hungary has long been pressing for the sides and countries involved in the Yugoslav crisis to settle their conflicts through negotiations and political means. Recent events have made it clear that, without efficient support and assistance by the international community, there is no hope for this. On this score, the Republic of Hungary welcomed the Yugoslavia peace conference initiated by the European Community.

"The Hungarian Foreign Ministry continues to support Lord Carrington's efforts aimed at resuming the conference. Events of late, however, have demonstrated the need to reconsider the work of the conference.

"The Hungarian Foreign Ministry welcomes the initiative of French President Francois Mitterrand at convening a new, broader international conference. The Hungarian Foreign Ministry shares the view that a conference of this kind should be attended by all parties, including the minorities, involved directly in the Yugoslav conflict. The Foreign Ministry is examining how Hungary, as a neighbouring country, could contribute to the success of a new international conference on Yugoslavia organized on this basis."

Croatia 'Practically' Closes Border to Refugees

LD1507105592 Budapest Kossuth Radio Network in Hungarian 1600 GMT 14 Jul 92

[Text] Hungarian-Austrian Interior Ministry talks are taking place in Budapest, the main subject being the refugee issue. During a recess in the discussions, Istvan Morvay, the state secretary in the Hungarian Ministry of the Interior, was interviewed by correspondent Istvan Boercsoek.

[Begin recording] [Morvay] At 2400 tonight the obligatory visas for those people who have a residence permit in a third country will be lifted. More correctly, Bosnian or Yugoslav citizens will be able to travel through Austria without a visa, so they can return to where they have a work permit.

At present there are about 3,000 Bosnian refugees in Hungary. Currently there is no possibility for them to travel further. The system of obligatory visas will be maintained in this sense—refugees still will not be admitted by Austria.

The situation is more serious in that according to the Croatian Government statement yesterday, Croatia is also not able to admit further Bosnian refugees. We obtained this information this morning. We informed the Austrians of this problem, since in connection with this, Croatia today did not admit the Bosnians who were travelling back from Hungary.

Therefore, border traffic between Croatia and Hungary in refugee matters, in this sense, has practically ceased. If the Croatians have resolved the matter in this way, then we also cannot accept refugees from them. A solution, based on the UN Security Council resolution, would primarily be if the secure zones created in the territory of the former Yugoslavia were used by us to place the refugees there, and for us to secure protection for them there. This would be the sole possible solution, and not to force them much further away from their homeland, so that they travel around Europe, and in the end are not admitted anywhere.

[Boercsoek] Was there mention of Austria giving further aid to the Bosnian refugees in Hungary?

[Morvay] We did not discuss this issue, since Austria also has some 30,000 Bosnian refugees. They, as well, have serious difficulties in providing for their own refugees. We came to an agreement, rather, along the lines of making joint efforts with third or fourth countries so that the burden could be shared. [end recording]

Jeszenszky Evaluates Slovak-Hungarian Relations

AU1407095692 Bratislava NARODNA OBRODA in Slovak 8 Jul p 9

[Report on interview with Hungarian Foreign Minister Geza Jeszenszky by Ivan Horsky in Budapest on 2 July: "The Year 1992 May Bring About a Turnabout in Hungarian-Slovak Relations"]

[Excerpts] On 2 July, the Hungarian metropolis was in turmoil. Parliamentary delegations of CSCE-member countries were meeting in that city. Unfortunately, the meeting took place without Czechoslovak participation. The domestic political situation rendered participation impossible—the federal government was elected just 24 hours earlier, and the CSFR presidential elections were to follow. Thus I was very surprised when the Hungarian consul in Bratislava let me know around noon on 1 July that the original appointment for the interview with the foreign minister of the Hungarian Republic, Professor Geza Jeszenszky, had been postponed from 31 June to 2 July. [passage omitted]

[Horsky] I expect that there will be a Slovak-Hungarian conflict when work on the completion of the Gabcikovo project begins. Although this issue should not be perceived as a fateful one, as a historical tragedy, it is a seed of potential conflict. Therefore, I—and the Slovak public—would like to hear what your stand is on the diversion of the Danube waters into a feeding channel.

[Jeszenszky] I have always emphasized that the Danube project is above all a technical problem, not a political issue. This has also always been the position of the present Hungarian Government. There is a Hungarian point of view on the project, and I believe that it has some advocates in Slovakia just as it has its opponents here. One could say that the parties represented in parliament completely agree and meet on the platform that the project is a dangerous, expensive, and unnecessary investment, that has cost both nations and all three governments a lot. In addition, we are concerned about the tremendous cost to the people living near the Danube dams.

We are convinced that this issue can be solved by a single step. Therefore, the Hungarian Government proposed that the entire issue, including the treaty, be reconsidered. Last December, the Carnogursky government rejected this proposal, and therefore we resorted to the unilateral solution. That is also why we abrogated the treaty. We have not seen any willingness to discuss the problems resulting from and concerning the treaty.

We are well aware that you have invested a lot in this project, and we have never refused an impartial expert analysis of the entire problem. I am very sorry that the work on the expert assessment did not begin last December, but I would prefer if we did not discuss now what should have been done by whom. New governments are currently being formed. Let us get together again and start anew. In any event, we will extend our efforts, and will encourage the employment of EC experts as external agents.

[Horsky] .... [as published]

[Jeszenszky] I can assure you personally, as a representative of your newspaper, and all your readers that in the event that the results of the expert analysis dispel our fears, and confirm that the risks can be removed, or eliminated, we will accept a solution that would also be acceptable to you.

I am convinced, and I have mentioned it several times, that if we want the construction halted, it is an advantage for you too. Nevertheless, I am rational to the degree that if someone convinces me to the contrary, that it would be advantageous to complete the dam system, then I will consider it acceptable for the Hungarian side. Therefore I am in favor of an immediate start of talks.

[Horsky] Minister, you mentioned that the entire affair must be depoliticized. It has, however, been politicized by the Hungarian parliament adopting a political decision. Whatever the parliament adopts is a political decision, and now for Slovakia and Hungary it has become a matter of prestige.

[Jeszenszky] I assure you that it is not a matter of prestige for our side. We are concerned with our interests—financial, environmental, navigational, etc. The Hungarian parliament adopted a decision on the employment of EC experts; i.e. on a trilateral—CSFR, Hungary, and EC—basis. The Hungarian public has demonstrated its willingness to accept the results obtained by this commission.

[Horsky] Fine, let us leave the Gabcikovo-Nagymaros issue; the two of us cannot solve it anyway. I would like to move the interview a step further. The dam issue and the unilateral abrogation by Hungary of the treaty on its completion are perceived in Slovakia as a part of a certain Budapest strategic concept aimed at neighboring countries. Not only in Slovakia or CSFR, but also in Austria and Germany, there are rumors of a so-called Atilla plan. I only ask because nobody knows exactly what it is all about, but rumor has it that it is an attempt by the emigre and even some Hungarian circles to reinstate St. Stephen's crown. The sentiment prevails in Slovakia, and in other countries close to Hungary, that these endeavors are also occasionally reflected in official Hungarian policies. Sometimes it might be just a slip of the tongue but Hungary's neighbors are becoming sensitive.

[Jeszenszky] To be frank, I heard about the Atilla plan for the first time when I had your questions delivered. Therefore, I asked several colleagues of mine and the ministry staff about it, and nobody has heard about it....

[Horsky] ...Could it be deliberate disinformation?

[Jeszenszky] ...I do not like either thrillers or science fiction. I have never read these genres, but there are many authors in the world who are committed to them. The Hungarian Government will never write or produce thrillers or science fiction. I am not even aware that an emigre group would write such a thriller or science fiction in collaboration with our people.

Regarding the statements made by our representatives, I firmly believe that we are talking here about some disinformation, about a deliberate distortion. Many people do such things unwittingly, and there are scores of people who will explain it that way. Prime Minister Antall said that he thinks of 15 million Hungarians [reference to Antall statement including ethnic Hungarians living abroad]. I believe that Messrs. Carnogursky and Meciar think in similar terms when they contemplate the issue of Slovaks living in Hungary or Vojvodina. Of course from the point of view of the Constitution, we speak only about the 10 million Hungarians living here. Today, every state that has ethnic minorities abroad cares about them, but does not carry full responsibility for them. It is born by the government of the country in which they live.

Your political representatives used diplomatic means to learn the context of the statement, and having obtained the information they sought, they were pacified. It would be good if the media did not try to turn everything into a political affair, and instead explained the whole issue. Of course, before these things are published, the reporters should find out what was meant by the statement.

After all, certain information becomes interesting only if it is phrased precisely this way. If a satisfactory explanation is given, these "scoops" cannot achieve prominence.

[Horsky] The Hungarian Government promised that in the spring parliament would pass the bill on minorities. It is summer now, and the law still does not exist....

[Jeszenszky] The bill is already in parliament. There were certain delays, and we are sorry about it. The thing is that the government did not want to draft the entire project alone. Representatives of minorities and ethnic groups were also involved, which did not speed up the process. There is a question, for example, of who should actually represent the Romanies.

Moreover, there are groups, or minorities, who do not have an elected body to represent them. In our opinion, there is a positive aspect to all these delays, however, since the minorities were able to find a way to have a say in this problem. Of course, there is no law that everyone agrees with unanimously. We have limited financial resources, but the Hungarian Government intends, in any case, to contribute a larger sum to the education and training of minorities and ethnic groups. To put it simply, we will give money, too.

[Horsky] This problem—a solution to the ethnic minorities problem—is evidently the main reason why a new CSFR-Hungarian treaty has not yet been signed. As far as I know, the reason was that the Hungarian Government demanded more rights for the Hungarian minority than it is willing to grant the Slovak minority in Hungary.

[Jeszenszky] We must respect the fact that there is a principal difference between the two minorities, as far as national awareness, culture, and education are concerned. On our side, we are willing to grant all rights and advantages to the Slovaks living here. We are trying to pass the law, and enforce it. We are setting no conditions regarding Hungarians living in Slovakia. We are saying that it is their business to create conditions for developing the education system and improving their life as much as possible. Of course, we are not going to ignore the Slovak Government's advice, or help, with respect to the Slovak minority in our country. When Mr. Meciar was Slovak prime minister for the first time, he and Mr. Miklos visited Bekecs County and localities in which Slovaks live....

[Horsky] Mr. Meciar raised this issue in his first speeches after his victory in the elections, saying that this problem will be solved on the basis of reciprocity. He affirms that the Hungarian minority in Slovakia has rights surpassing the standards, that is, better rights than those provided for in the CSCE documents from the Copenhagen meeting.

[Jeszenszky] I have not seen anything like that in the Copenhagen documents. I believe that it is necessary to ask the relevant minorities whether they are satisfied with their situation and what solutions they suggest. We could build on the Romanian Constitution of 1923, that provided rights to the Hungarian minority, and on the Czechoslovak Constitution of 1920. If these documents were valid today, Romanian-Hungarians would have great advantages. In my opinion, these document are not decisive for our relations, but we cannot pass them unnoticed. We must find a solution that respects the new type of thinking in Europe. I am convinced that if a certain minority is satisfied in a certain country then this has an impact on the entire atmosphere in the country in which they live, and it also helps improve and strengthen relations with neighboring countries.

[Horsky] In this connection, the following idea is emerging. Minister, you are a historian, so you must know. Should we not start from below? After World War I, historical regions were divided: Zemplin-Zemplenyi, Novohrad-Nograd, and others. Would it not be better if attention were paid to the revival of these natural links, thus creating cooperation from the bottom up. Trust is created when people become acquainted, when they cooperate, and when they shed their prejudices.

[Jeszenszky] I generally agree with you. Zemplin is on our, as well as your territory. I believe it is very unfortunate that when the borders were established in 1920, it had an impact on economic and trading relations. On the other hand, contacts were never completely severed. Today's border crossings—and those that existed before—were closed during the communist era. That is, there was not only one iron curtain. Curtains were everywhere along the borders with communist countries. We really must build confidence from below. I believe that this is what is happening on the local level, and that good contacts have been established.

[Horsky] Today you participated in a session of the Hungarian Parliament Foreign Affairs Committee. Developments in the CSFR should also have been on the agenda. What was the committee's point of view on these developments and how would you assess them?

[Jeszenszky] It was not an official committee session. Parliament is already in recess and many deputies are on vacation. We did not want to discuss relations between Czechs and Slovaks. At the most, we discussed what the situation in Slovakia will mean for us, for Hungarian representatives. There was complete agreement on the fundamental issues. We will always—and unconditionally—respect the decisions made by you. If, in your opinion, it is necessary to continue cooperating with us within the framework of the "Visegrad Treaty," we will support this decision. If you want—and I think someone from Slovakia said this—we will agree to the "table with three legs changing into a normal table with four legs."

Of course, if one of the partners does not want to continue this cooperation, he is completely within his rights. We are striving for the best possible contact with

the Slovaks. The issue of borders is not on the agenda. We know very well that if one side wanted to change the borders, but the other side did not, it would be impossible to do so. I am convinced that this is an anachronistic issue, although the Western press pays a little too much attention to it. When the border was created, this was a kind of fashion. However, we are all advocates of European unity, which means reducing the significance of borders. This is a trend that is in the interest of both our nations.

[Horsky] Minister, in conclusion, is the Hungarian Government planning to invite the new Slovak representatives to Budapest in the foreseeable future?

[Jeszenszky] We have already indicated that, when the new government is formed, we will willingly meet with it, and very cordially welcome its delegation here, in Budapest.

[Horsky] Thank you for the interview.

Council of Ministers Holds Inaugural Meeting

Walesa, Suchocka Speak

LD1407193592 Warsaw Radio Warszawa Network in Polish 1208 GMT 14 Jul 92

["Extensive excerpts" of speeches by President Lech Walesa and Prime Minister Hanna Suchocka at the inaugural meeting of the Council of Ministers in Warsaw on 14 July—recorded]

[Text] [Walesa] Madam Prime Minister, ministers, ladies, and gentlemen: I wish you all the best in connection with your appointment to distinguished state offices. My experience with three governments and the present fifth prime minister tells me that we should talk in a working fashion, concretely, and seek as much understanding as possible. And that, too, is why I have prepared a letter, from the presidential office, and we have submitted it to you. The letter conveys those issues which I feel, from the presidential office, are topics of importance to Poland. It would be appropriate to concern yourselves with these topics immediately. In addition, from myself, as president and not as the presidential office [as heard], I wish to draw attention to a few matters.

Leadership of the nation at a time of such great reforms is a very difficult and responsible task. The first prime minister, the fourth government, is the norm for 20 years if the situation were stable. [as heard] Over this period we have all gained much experience, good and bad. It is necessary for these good experiences to be continued, and for the bad experiences to be rejected. The main direction of reforms facing Poland, in my view, has been prejudged, both in economic issues, and in political and social ones. And so, in my view, this government faces the task of putting the Third Republic in order, putting in order, above all, the legal construction, that is to function and help in the functioning of this, this already reforming and reformed Poland. [sentence as heard] And so, if it were only possible to succeed in these main issues, this would be the greatest achievement because life is already running its course almost normally. Even though we lacked a government for quite a long time, the country still functioned. Over the past three years our reforms have been functioning although they required assistance; it was necessary to facilitate their functioning. And that is why the task of formally putting all this in order, of doing it legally, is a task for this government.

The second task, which was poorly practiced until now, is society's conviction in the viability of the reforms that we have introduced and in the construction of the Third Republic. Society is at a loss, it does not understand, it does not know what the game is. It perceives only things that are, things that can be raised as slogans, made fun of, forced out, and so on. So much for internal matters.

On the other hand, regarding external affairs, I would reply, as a veteran of this struggle or office, that we must be drawn—especially the government—into putting Polish external matters in order. Our activities abroad should run through the Foreign Ministry. However, everyone who goes abroad, a minister, the president, and other important people, should not forget about the Foreign Ministry. This has sometimes been the case in the past. From this has come great misunderstanding, accusations of anarchy and of how matters in this country are viewed. Everyone who went abroad presented the Polish stage differently. This has brought us many, many losses, and I hope that the prime minister and the foreign minister will put this in order so that we are consistent on the main topics, and so that everyone who goes abroad does not change our course and the direction of our reforms.

On the basis of our experience this government must succeed. This government must finally be a permanent government, for we have enough experiences already. I do not condemn all these experiences. We have overfulfilled the democracy plan by many years. Despite the fact that they brought us losses, these experiences in themselves have served us well, and can assist us. We have done everything, almost everything that can be attributed to democracy. Everyone of these governments was the only one of its kind, everyone of these governments attained something or other, and committed errors. This government should arrange all this anew and put it in order, and this government should to be a lasting government. Then we will make use of these experiences and of the external stage for Polish reforms.

And again, on many past occasions it was felt that the president wants this and that, that he has an appetite for great power, that he wants to take over everything, that he would like to be a dictator. Ladies and gentlemen, at this our first meeting, I want to say that my philosophy was that of a worker-peasant,a very straightforward one. We defeated communism with finesse. So, let us be tempted by a second victory of finesse, a victory that will not create great leaders. If not leaders, then democratic structures. I am tempted by the great victory of the leadership of state structures, structures that are constructed and operated democratically, since in a healthy democracy the best solutions are democratic. This is what I want to be tempted by. So far, this has not worked out for us—something in the government was always hindering it. This was because there was no ordering of structures. We were not capable because we were learning. These changes are indispensable. One can complain that many things were not attained by us, that many things passed us by or were not exploited by us. That is true, but the new epoch that we are creating assumes other things, other realities. Our location, which was a curse, can be a blessing, and all this requires not great leaders but structures that are understandable to the nation. The structures in which the nation will participate will allow the wisest people and the best programs to be implemented without any burdens. I would like all of us to try to make it permanent and great by the standards of our previous victory. I would try to

help, to cooperate, and to create this direction. History will assess us. You have had a great victory, you have had a chance, and what have you done with it. And would that there were a great leader but he left. [sentence as heard] Nothing was left after this; the structures are soft and unreliable, and anarchy would be the path of the future. So, I encourage building, I encourage getting in touch. The president is ready to come and explain himself, and help at every call because this is the role and task he planned for himself and for the government. I say it from the depths of my heart, I say this at the first working meeting, because I would like this government to be stable, to live longer so that we can handle very difficult problems which are, however, possible to solve and sort out.

I wish the prime minister and the ministers the satisfaction of being able to sort things out.

[Suchocka] Thank you Mr. President for those words full of support but at the same time challenging us to fulfill special tasks.

Despite the fact that I did so briefly at the beginning, I would like to thank Mr. President once again for his interest in the work of the government that has been established, but I would also like to express gratitude for the president's constructive attitude in the very difficult period of forming this government. I am aware that it was a very difficult task for all of us, and that it was a period when doubts could arise regarding any positive outcomes. Having his full support and starting with the president on our side, we tried to accomplish something, and the president was with us to the end and continues this working meeting with us.

I fully agree with what Mr. President said. I would only like to add that the last three years, that I mentioned in the expose, proved irrefutably that the Polish nation handled the challenge by achieving freedom. And I would further risk stating that I think this challenge is facing the so-called political elites at the moment. And I think that these political elites that are assessed in a negative way by the nation, to say the least, have to face this challenge. So, among other things, what we face is work between certain state institutions because what occurred many times before brought about the destruction of all authority and no one gained from that. That is why we can promise—and this is what I read in the president's address to the Council of Ministers—that there is only one of three modes of relations between the Council of Ministers and the Belweder Palace: hostility, ignoring each other, and cooperation. The only possible path for our government is the third way, namely, cooperation. One cannot function otherwise if a government that we call a government of concord is being formed. The president's statement that this government must succeed is a very strong one. This is an expression of the optimism that has always characterized the president. I hope that we will meet this expectation, but this is also the expectation of society. Society has had enough of the constant change that it perceives rather as a certain kind of fluctuation in smoke-filled rooms. On the other hand, it does not perceive the real need for such changes. And taking up this office and agreeing to take up the office of chairman of the Council of Ministers, I am strongly aware that the coalition must be so arrayed, and we must so cooperate in the framework of the government that this government must be a lasting government.

It is also important to stress—and I have stressed this many times, both in my expose and in all my meetings with you—that this must be government policy. There cannot be a situation whereby we again agree that each one of the ministers creates his own foreign policy in his own field. Ladies and gentlemen, this is not to the benefit of any minister, and it functions, in general, to the detriment of the state. I will perhaps also mention one more detail, namely that the expectation of new legal regulations is very strong and stressed everywhere, also in the president's speech. I have this insight arising from the fact that through this entire recent period I was active in the Sejm as a deputy in the Legislative Commission, and I can perhaps more easily assess what the difficulties are and where these difficulties lie. And at times, indeed, these difficulties are also nested in certain disputes about prestige between deputies, but as I judge things, at the moment everyone perceives the need to issue the constitutional law that will unambiguously regulate relations between the supreme state bodies as quickly as possible. And we will not be forced to (?apply) this new system by force in situations [words indistinct] that were constructed for a completely different system.

I can assure the president that all the issues that were indicated as priority tasks in the letter directed to us are priority tasks for the government. And today, the meeting of the Council of Ministers is to be based, in working terms, on apportioning these general headlines, or let us say general aims, those specific tasks for each one of the ministers.

[Walesa] I would just like to add that if you, if this government, does not succeed, then I already warned, at the start, at the first meeting, that the next government will be a presidential one. Whether the (?president-government) is liked or not, I will propose it, because Poland cannot lose the opportunity that stands before it. I, in turn, really do not want that, because despite everything this is not what I and we are about. We are about lasting structural, democratic solutions that construct themselves with difficulty, but, in fact, do construct themselves. All kinds of limitations, or the removal of all kinds of prerogatives are bad for democracy. That is why I hope against hope that this last variant will not happen. And I count on the fact that you will help me in all of this.

Committees Established

LD1407164892 Warsaw TVP Television First Program Network in Polish 1500 GMT 14 Jul 92

[Text] The meeting of the Council of Ministers is over. The government decided to set up two committees: one

socio-political and one socio-economic. Deputy Prime Ministers Goryszewski and Laczkowski have been authorized to present the proposed composition of the committees. Ministers have until 17 July to report on the reform programs being drawn up in their ministries, and to propose amendments. Hanna Suchocka will ask the Sejm speaker not to convene parliamentary sessions in August. The government needs time to put its work in order and to catch up on the Sejm backlog.

Suchocka Plans To Dismiss 'Independent' Ministers

LD1507004192 Warsaw PAP in English 2243 GMT 14 Jul 92

[Text] Warsaw, July 14—Premier Hanna Suchocka announced in a Tuesday TV programme "Tylko w Jedynce" (Only on the First Channel) that she would be consistently asking the Sejm to dismiss the ministers "trying to pursue their own independent policy or acting against the cabinet's policy." Hanna Suchocka added that her cabinet was created in the name of the conviction that "it is necessary to reach an agreement because the society ceases to understand the parliamentary conflicts." The premier expressed hope that she would win wider support in the parliament and said that the government did not have to be backed up only by those who formed it. Former Premiers Tadeusz Mazowiecki and Jan Krzysztof Bielecki also participated in the programme. Jan Olszewski and Waldemar Pawlak had also been invited but did not manage to come.

Pawlak Criticizes Suchocka Cabinet for Delays

LD1507004592 Warsaw PAP in English 2142 GMT 14 Jul 92

[Text] Poznan, July 14—During a provincial congress of the Polish Peasant Party (PSL) held in the western town of Poznan, former Premier Waldemar Pawlak criticized Hanna Suchocka for vowing to "define her programme as late as within three months". He added that the PSL - after talks with the Christian-National Union (ZChN) and the small coalition of the Democratic Union (UD), the Liberal Democratic Congress (KLD) and the Polish Economic Programme (PPG) - was ready to implement concrete ideas particularly in the field of industry and agriculture "at once without the need of longer search for solutions." Commenting upon the PSL's present role in the Sejm, Waldemar Pawlak said that his party would be still taking care of concrete issues, those referring to the economy in particular since the party saw the greatest danger for Poland there. The former premier also said that "one should leave the stage quietly, not allowing others to kick him because when one has been falling once, he cannot count on a comeback."

Freedom Party Demonstrates Against Walesa

LD1307201292 Warsaw PAP in English 1751 GMT 13 Jul 92

[Text] Wroclaw, July 13—About 100 members of the Fighting Solidarity and the Freedom Party on Monday [13 July] demonstrated in Wroclaw against President Lech Walesa and against continuing rule by people who had gained power following decisions made during the round table conference. Addressing the demonstrators, head of the Freedom Party Kornel Morawiecki said Poland was governed by immoral people, thieves and secret agents. The demonstrators distributed the list of former communist secret service collaborators in 1945-1990. The list had been disclosed to MPs [members of parliament] by former Interior Minister Antoni Macierewicz. They distributed also an appeal to society under the motto "Lech Walesa must resign," asking for signatures.

Ministry Confirms Observation of FRY Embargo

AU1407163892 Bucharest ROMPRES in English 0954 GMT 14 Jul 92

[Text] Bucharest ROMPRES 14/7/1992—Following ungrounded allegations according to which Romania has not observed the embargo imposed to Yugoslavia by resolutions of the U.N. Security Council, the Ministry of Transport has sent a communique to "ROMPRES," specifying that "the sea, river, air, rail and road embargo has been applied with utmost strictness.

As for allegations saying that the embargo was infringed upon on sea and river, the Ministry of Transport announces that since the embargo was enforced, no sea ships were loaded in the Romanian Port of Constanta in order to sail to the Adriatic Port of Bar, and the embargo is totally equal as far as river transport is concerned, which is substantiated by the following data: Six fuel oil and gasoline tanks of Austrian registry, bound for Belgrade and Pancevo, a loaded Yugoslav barge-tanker bound for Pancevo, two Romanian barges with Diesel oil bound for Pancevo have been detained at Giurgiu since July 7. Five Romanian lighters with soy beans, bound for Yugoslavia, have been detained in the Black Sea Port of Constanta.

Sixteen self-propelled barges, lighters and tankers registered in Yugoslavia, the Commonwealth of Independent States and Czechoslovakia have been standing in the Ports of Constanta, Cernavoda and Giurgiu and have not been accepted to be loaded with merchandise for Yugoslavia.

Nine barges of Romanian flag have been detained in the Port of Turnu Severin, with maize from Yugoslavia, bound for Ukraine.

The communique also specifies that the barges were loaded before the embargo was imposed and have been detained by the Romanian authorities after the embargo was enforced.

The Ministry of Transport is willing to show the Embassies of Great Britain, the United States, any other embassy, sea, river, air, rail and road traffic data that may be of interest in this respect, mentions the communique signed by the minister of transport, Traian Basescu.

Russian Charges of Involvement in Dniester Denied

AU1407170492 Bucharest ROMPRES in English 1400 GMT 14 Jul 92

[Text] Bucharest ROMPRES 14/7/1992—The newspaper CURIERUL NATIONAL prints a statement by Romanian Deputy Liviu Muresan, member of the Romanian Parliament's permanent delegation to the Parliamentary Assembly of the Council of Europe [CE], on accusations formulated by Russia's representative to the summer session of the European forum in Budapest according to which Romanian tanks allegedly attacked schools, hostels and dwellings in Transdniestria causing heavy casualties. As Russia took the place of the USSR as an invited guest, despite all rules, the Romanian deputy said, I requested the Standing Bureau of the Council of Europe not to make the mistake of automatically granting that status to Russia without the approval of the commission for non-member countries. As for the irresponsible statement of the Russian parliamentarian, I showed he only presented the situation in reverse, in line with an older practice. In fact, what happens is that a modern and experienced Army, that is the Russian 14th Army, fights on foreign territory against the insignificant military forces of Moldova. The balance of forces is disproportionate and the way in which things are presented—with the attempt at involving Romania in that conflict—shows that the disinformation techniques practiced by the Soviet power did not disappear along with the dismemberment of the USSR. Naturally, I rejected the accusation concerning Romania's act of aggression, which is aberrant, and, in my turn, I informed of the escalation of the conflict in Moldova following the penetration of Russian Armed Forces and of Transdniestrian separatists on the right bank of the Dniester.

Stolojan Receives Turkish Interior Minister

AU1407201992 Bucharest ROMPRES in English 1810 GMT 14 Jul 92

[Text] Bucharest, ROMPRES, 14/7/1992—On Tuesday, July 13, Romanian Prime Minister Theodor Stolojan received Ismet Sezgin, Turkey's minister of the interior, head of the delegation now visiting Romania.

Present at the interview, the Romanian Minister of the Interior, Victor Babiuc, appreciated that a survey was made of the bilateral relations and emphasis was placed on the Turkish Government's availability to grant Romania its entire support for the continuation of the democratic process and the transition to the market economy.

Stress was laid in that context on the fact that a concrete way of developing the ties between Romania and Turkey would be represented by the agreement to be signed by the two interior ministers which stipulates an efficient collaboration to fight against organized crime and drugs traffic by training experts in that field, as well as by other specific actions.

Izetbegovic Replies to Carrington on London Talks

AU1507093092 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 14 Jul 92

["Text" of letter from Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, to Lord Peter Carrington, chairman of the EC Conference on Yugoslavia; date not given—read by announcer]

[Text] At your explicit request and bearing in mind the (?recommendation) of the latest UN Security Council resolution, my personal envoy Dr. Haris Silajdzic, the foreign minister of Bosnia-Hercegovina, will depart for London to attend the talks on Bosnia-Hercegovina. (?With) the participation in the talks, we wish to cooperate and confirm our loyalty to finding a political solution for the problems of our country, although we no longer believe in the model offered for resolving them.

In drawing up the future constitution of Bosnia-Hercegovina, Ambassador Cutileiro [chairman of the Conference on Bosnia-Hercegovina] and his team departed from the assumption that three ethnic communities live in Bosnia-Hercegovina, which is correct and an elementary fact that must be taken into consideration in any case. The present constitution also [word indistinct] that any future Bosnia-Hercegovina constitution depart from this basic fact. Therefore, three ethnic communities live here, furthermore, three equal ethnic communities and three constituent ethnic communities, if you like. However, [word indistinct] claim that these three equal and constituent ethnic communities are at the same time also three mixed ethnic communities. Mr. Cutileiro's project failed to take this very important fact sufficiently into account. As you know, the cantonization of Bosnia-Hercegovina has been proposed, although it was evident that the ethnic cantons in an ethnically completely mixed environment are not the right solution and could not be constituted in a legal manner. Such cantons could only be constituted by force and by the method of ethnic cleansing, which is precisely what is happening in Bosnia-Hercegovina right now. Attempts are being made to change the demographic picture of Bosnia-Hercegovina by fire and the sword so that [word indistinct] would [word indistinct] the desired and envisaged borders of the cantons, the letter says and continues:

As a result of all this, ethnically pure regions have been formed that never existed before. In some regions where some 70 percent of the population used to be Muslim, there is currently not one single Muslim. More than 1 million Bosnia-Hercegovina citizens have left their homes as a result of force and a great number of them are in foreign countries. In this way the leadership of the Serbian Democratic Party [SDS] (?betrayed) the Lisbon formula. Can the EC, as the chairman of the Conference on Yugoslavia, accept this?

Territorial changes by force [word indistinct] Article 5, Point 3 of the UN General Assembly Resolution 3314 [as heard] of 1974, and in all declarations, resolutions, and statements by the UN, EC, and CSCE issued in the course of the aggression against Bosnia-Hercegovina. We will never recognize these changes—neither territorial nor demographic—and I believe that in this resistance we will win the support of the civilized world. The only solution for the future constitution of Bosnia-Hercegovina as a multi-religious, multi-ethnic, and multi-cultural community is a parliamentary and democratic state. The platform of the Bosnia-Hercegovina Presidency of 15 June 1992 states that the constitutional order of Bosnia-Hercegovina will be based on the regional and local [words indistinct] economic, cultural, and ethnic criteria will be applied. We consider this platform, which introduces the principle of [word indistinct] representative of the ethnic communities, to be a good basis for the talks on the present situation, as well as on the future organization of this country. We have sent you the text of this platform.

As regards the conditions for the talks under the EC patronage, it is feared that the SDS will use them to promote a policy of fait accompli and try to legalize the results achieved by aggression and violence. I am sure you remember that in our talks in Sarajevo on 3 July, I demanded that as a condition for negotiations [words indistinct] demand of Article 7 of the Resolution 752 of the UN Security Council, that is to say, that the heavy artillery of the Yugoslav Army be removed from the territory of Bosnia-Hercegovina or put under the international supervision. I wish to remind you that on that occasion you gave [words indistinct] guarantees. I believe that there will be neither peace nor successful talks without the fulfillment of this condition.

Finally, I would like to add that until the aggression ends we are only willing to hold separate talks with you, that is to say, with Mr. Cutileiro. The legal authorities of Bosnia-Hercegovina have proclaimed the SDS a terrorist organization because of its open involvement in the aggression and banned it. Criminal charges were filed against the SDS leaders for war crimes, crimes against humanity and international law, it is stated at the end of the letter that Alija Izetbegovic, president of Bosnia-Hercegovina Presidency, sent to Lord Carrington.

Boban Comments on Herceg-Bosnia Issues

LD1407221892 Zagreb HTV Television in Serbo-Croatian 1730 GMT 14 Jul 92

[Interview with Mate Boban, president of Herceg-Bosnia, by station announcer in Zagreb on 14 July—live or recorded]

[Text] [Announcer] First, we are interested to hear what you expect from the meeting and talks in London?

[Boban] Well, I expect just what Lord Carrington and the president of the Republic of Croatia, Dr Tudjman, said. I expect slightly more sincerity and seriousness in the way issues are approached. The other two sides have treated the conference both flippantly and insincerely;

they should accept eventually and once and for all the fundamental principles for the future organization of Bosnia-Hercegovina as an independent state comprising three national units. This, I am convinced, is the political way of resolving the crisis in Bosnia-Hercegovina. I also expect, and we will ask, that the war in Bosnia-Hercegovina be stopped immediately. Of course, this will depend neither on us nor the Muslim side. This will basically depend on the aggressor, i.e. the Serb side. I also believe that the serious attitude and the determination of the EC will begin to have an effect on the Serb aggressor side and force it to stop the war in Bosnia-Hercegovina.

[Announcer] Mr. Boban, you have recently given a whole series of explanations of why organs of power have been set up in the areas controlled by the Croatian Defense Council [HVO]. In the light of criticims and suspicions of this move, have your explanations, in your view, had the desired effect?

[Boban] In my view, the explanations have been forced out of us by those who misunderstand the situation. Somehow, it is always us who are expected to explain things that are clear to the entire world.

The Croat people in Bosnia-Hercegovina hold that Bosnia-Hercegovina as an independent state can and should be organized in line with the West European principles of equality for the nations in Bosnia-Hercegovina. In other words, all three nations must be constitutive and sovereign and possess equal rights. There can be no other Bosnia-Hercegovina. For this reason, the Lisbon talks which have so far been interrupted twice must continue intensively so that we can finally reach an agreement on Bosnia-Hercegovina's constitutional set-up.

Why our organs of power? Well, power in Bosnia-Hercegovina has been totally diluted due to the occupation. There is not an inch of free Bosnia-Hercegovina except the area that has been defended or liberated by the Croat people, or rather by the HVO in cooperation with the Muslims from that area.

[Announcer] There is no communication with the center of power?

[Boban] Of course. There is no communication whatsoever with the center of power. At the precise moment when that center of power restores communications with the entire territory of Bosnia-Hercegovina, it will, of course, be able to communicate with us and our intentions and those of the central authorities in Bosnia-Hercegovina will become identical.

[Announcer] What is your initial experience in the functioning of the HVO?

[Boban] Well, our initial experience does not give cause for rejoicing. However, the people are happy. They know that there is no more war of the kind which halts normal life. The war is now being waged on battlefields, on frontlines. Inside that area we are trying to organize everyday life, to provide supplies, trade, education, health service, the safety of people and their property, human rights, police, etc. The population has received this very well and, on top of it, this is all in line with the principles agreed upon in the presence of the EC. We have not installed any other authority nor are we in the process of installing something different. In essence, what we are trying is to harness the now diluted authority to suit our situation.

[Announcer] What can you tell us about the cooperation between the HVO and the Bosnia-Hercegovina Territorial Defense?

[Boban] In the space covering the Croatian community of Herceg-Bosnia, i.e. the sole unoccupied and liberated area in the state of Bosnia-Hercegovina, cooperation between the HVO and the Territorial Defense can be defined in the following way: The HVO, as the first and sole self-organized body which opposed the aggressor and the occupying force, has placed at the disposal of all those—and first and foremost the Muslim people—who wish to defend Bosnia-Hercegovina all its resources, both spiritual and material. They can take as much as they want, accept as much as they want, and I think that there are no particular problems in our cooperation. In addition, as soon as we founded the HVO we sent a letter to the Bosnia-Hercegovina Presidency and government stating that the HVO was an integral part of the Bosnia-Hercegovina armed forces and that we were asking for a joint command. Unfortunately, we have not had any response to this, although the leadership of Bosnia-Hercegovina on several occasions presented this as truth [as heard].

The HVO is, in essence, a self-organized entity of the Croat people in Herceg-Bosnia and what it has been doing for Bosnia-Hercegovina's freedom and against the occupier and aggressor should be valued and praised and not denigrated, etc.

[Announcer] My last question: You have just arrived from down there. Mostar has come under attack again. What is the situation like there?

[Boban] Yes, the southern front, as we call it, comes under attack daily. We have the southern, central, and northern Herceg-Bosnia battle front. In the eastern part of the southern front, we are confronted by the enemy's two corps with most sophisticated weapons. On the western front there are also two corps, the Banjaluka and the Knin crops; the latter is being withdrawn from the Knin area. The aggressor attacks every day. However, our forces have consolidated the defense line in such a way that all attempts by the enemy end in defeat. It is only a matter of time before the enemy give up such attempts unless the situation is resolved in a different way.

[Announcer] Mr. Boban, thank you for this interview. I wish you luck in both the negotiations and in your plans for Herceg-Bosnia.

[Boban] Thanks to you and to Croatian television which is our sole window on the world, which is the only one telling the truth about us and about our struggle for the freedom of the Croatian people in Bosnia-Hercegovina. Thank you.

Karadzic Comments on Serbs' Status in Bosnia

AU1307193292 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 13 Jul 92

[Interview with Radovan Karadzic, president of the Serbian Republic of Bosnia-Hercegovina, by Milijana Baletic on 13 July; place not given—recorded]

[Text] [Karadzic] In addition to the conference, my agenda includes contacts with members of the British Parliament. We will also hold a press conference. The conference will be chaired by (Henry Billingham), chairman of the Committee for East Europe, who is a very influential person in the Parliament. A meeting with our emigrants, very successful people in North England, is also planned.

[Baletic] In comparison with the previous conferences, this conference is held under the considerable different circumstances, namely the proclamation of Herceg-Bosnia. What kind of impact could this have in London and what are your expectations?

[Karadzic] In my view, the proclamation itself is not in disharmony with the document that we adopted in Lisbon, just as the proclamation of the Serbian Republic of Bosnia-Hercegovina is not in disharmony with the Lisbon document. I believe that the EC will not have any significant objections to this as long as Herceg-Bosnia is prepared to maintain links within Bosnia-Hercegovina. After all, the Serbian Bosnia-Hercegovina is also expressing such a readiness.

We will not accept the loss of sovereignty and statehood of the Serbian people in Bosnia-Hercegovina at any cost. Therefore, the Serbian Republic of Bosnia-Hercegovina is a reality. Whether it will be independent or closely or loosely linked to Bosnia-Hercegovina, this is an issue we can bargain about.

Serb Leader Ready for 'Unconditional' Cease-Fire

LD1507005592 Belgrade TANJUG in English 2302 GMT 14 Jul 92

[Text] London, July 14 (TANJUG)—Serbs in the war-torn former Yugoslav Republic of Bosnia-Hercegovina are ready for an "unconditional ceasefire any time," Serb leader Radovan Karadzic said on Tuesday [14 July].

Karadzic told a news conference in London the Serb side in Bosnia-Hercegovina had already declared a unilateral truce but the other side continued violations.

"What is most important is to stop the killing and destruction, even if it requires ten months of talks," Karadzic said.

Bosnia-Hercegovina has for months been the scene of fierce armed clashes between local Serbs on one side and Moslems and Croats, supported by regular units of the neighbouring secessionist Republic of Croatia, on the other.

Serbs from Bosnia-Hercegovina are ready to negotiate with everybody, on the basis of documents on the republic's cantonization, which were made in the framework of the E.C.-sponsored conference on Bosnia-Hercegovina, the Serb leader said.

The participants in the conference agreed that Bosnia-Hercegovina should be a single state, made up of entities on the ethnic basis and with respect for economic, geographic and other criteria.

In the meantime, the Moslems abandoned the concept insisting that Bosnia-Hercegovina shold be a unitarian state. In response to this, Serbs and Croats proclaimed their own republics in Bosnia-Hercegovina.

Karadzic said Croats in Bosnia-Hercegovina were willing to talk, but the Moslem side rejected any compromise.

He said the U.N. protection force (UNPROFOR) in Yugoslavia should take a more active role in the crisis and all armed formations in Bosnia-Hercegovina be put under UNPROFOR control.

John Kennedy, a member of the British Conservative Party, presented to the news conference a documentation proving the existence of concentration camps for Serbs in Bosnia-Hercegovina. There are 20 such camps, and 6,000 Serbs have been held at the Stadium Kosevo in the Bosnian capital Sarajevo alone, Kennedy said.

Karadzic arrived in London on Tuesday at the invitation of Lord Carrington, the president of the peace conference on Yugoslavia.

Carrington invited the leaders of Bosnia-Hercegovina's three nations—Serbs leader Karadzic, Croat Mate Boban and Moslem Haris Silajdzic—for talks on how to end the crisis peacefully.

Carrington will hold separate talks with the three delegations on Wednesday afternoon. He said he would try to call a plenary session if progress was made during the talks.

Croatia Accused of Sending Troops to Bosnia

LD1407223292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1836 GMT 14 Jul 92

[Text] Sarajevo, 14 Jul (TANJUG)—The general staff of the Serbian Republic of Bosnia-Hercegovina Army today accused Croatia of continuing to send its troops to the territory of Bosnia-Hercegovina. In its statement, the general staff says that Croatian Army convoys are being sent from Split via Livno and Prozor to Bugojno and from Split via Dubrovnik in the direction of Trebinje; from Travnik via Zenica, Zavidovici and Tuzla to Gradacac; and from Slavonski Brod to Bosanski Brod. As

stated, these roads are banned for civilian traffic in order to conceal the evidence of Croatian troops in Bosnia-Hercegovina.

It is said that on 12 July 2,000-strong units of the Croatian forces who had been stationed in Bosanska Posavina near the river Sava basin were transferred to Slavonija in the presence of the UN Protection Force [UNPROFOR] but that they immediately returned to Bosnia across the River Sava, leaving UNPROFOR believing that they had left the area.

Despite the UN arms embargo, the Muslim and Croatian forces have been openly buying weapons in Austria and Germany. The arms are being transferred in trucks from Split as humanitarian aid to the territory of Bosnia-Hercegovina via roads controlled by Croatian forces.

The money for the arms is being collected by the Karitas and Merhamet humanitarian organizations. Emigrants are expected to finance the war in Bosnia-Hercegovina by donating 1,000 German marks every month. This money is also used to pay mercenaries.

Izetbegovic Reminds UN on Artillery Withdrawal

LD1407191892 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 14 Jul 92

[Text] Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, has sent a letter to General Lewis MacKenzie, UN Protection Force chief of staff, in which he reminds him of the UN Security Council resolution's demand for all artillery to be withdrawn from the Sarajevo airport. The continued bombardment of the town clearly indicates that this has not been done. We call on you to immediately inform the UN Security Council about this and to ask it to take the appropriate measures in accordance with the UN Charter, President Izetbegovic says in the letter to MacKenzie.

President Izetbegovic also sent a letter today to the UN Security Council president, in which he calls on the UN Security Council to adopt a decision or a resolution on creating a new corridor for supplying humanitarian aid to the citizens of Bosnia-Hercegovina via Dubrava airport in Tuzla. Izetbegovic clarified the demand by saying: "This way the aid will get through to almost 1 million inhabitants of the northeast part of the country."

Defense Minister Views Offensive Against Gorazde

AU1407205492 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 14 Jul 92

[Text] The aggressor's attack on Gorazde is unique because its aim is not to destroy the town so that it is no longer habitable, but to destroy all the Muslims who managed to escape the enemy's massacres committed along the Drina River from Foca to Bjeljina. This is how Bosnia-Hercegovina Defense Minister Jerko Doko today assessed the latest bestial offensive against Gorazde. The enemy does not need a corridor in Gorazde—he is destroying people, Doko says.

However, Minister Doko says, Gradacac is suffering an even greater destruction that Gorazde because the aggressor also wants to establish a corridor toward the occupied Krajina. This is genocide without a precedent.

The defenders of Gorazde are getting some help, although there are difficulties. The problem is that we are subjected to the embargo on the import of arms. We alone, without foreign military intervention, will not be able to sustain the aggressor's pressure because the enemy has concentrated a full range of artillery, air force, chemical agents, and armored vehicles around Gorazde.

The enemy is now pounding the remaining buildings with heavy 155 mm caliber artillery. If somebody from abroad does not intervene, numerous innocent people will perish while the town is already being demolished, Jerko Doko stresses.

We did not build our towns with shelters against our own army, as we did not expect such attacks. Gorazde has no special facilities to protect numerous refugees and local residents besides the defenders and their lives.

UN Says Croatia Violated Embargo on Arms Imports

LD1407224592 Belgrade TANJUG in English 2131 GMT 14 Jul 92

["Pool" item]

[Text] United Nations, July 14 (TANJUG)—A special committee for monitoring the United Nations' sanctions against Yugoslavia has solid evidence that Croatia is violating an embargo on arms imports, TANJUG learned on Tuesday [14 July] from well-informed sources at the Security Council.

The U.N Security Council imposed the embargo on arms imports in the teritory of former Yugoslavia in late September in an effort to prevent the spreading of civil war.

The sources said that the breakaway Yugoslav Republic of Croatia had been importing arms through a certain Stefan Udovcic, a Croatian-born Swede who has several business firms in Prague, Czechoslovakia.

Documents held by the committee indicate that last October, Udovcic delivered rocket launchers to the Croatian National Guard through his Machina-as Company, registered in Prague and Uppsala, Sweden. Documents also show other illegitimate operations conducted in violation of the Security Council's decisions.

The special committee might discuss Croatia's violation of the Security Council's Resolution 713 at its next session, called for July 16.

Tudjman Supports Carrington Initiative on Talks

LD1407170292 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 14 Jul 92

[Text] Croatian President Dr. Franjo Tudjman yesterday received a letter from Lord Carrington, chairman of the conference on Yugoslavia. It was announced from the president's office that President Tudjman supports Lord Carrington's initiative to invite representatives of ethnic communities in Bosnia-Hercegovina to talks on the future setup of that country, which will be held under the chairmanship of Ambassador Cutileiro in London tomorrow, since the authorized representatives of the Croatian national community could not be present at the last talks in Sarajevo.

Minister Appeals to Europeans To Take Refugees

AU1507100092 Vienna ORF Television Network in German 2000 GMT 14 Jul 92

[Interview with Interior Minister Ivan Janjac in Zagreb by Elmar Oberhauser in Vienna—live]

[Text] [Oberhauser] Now we are switching directly to the studio in Zagreb where I welcome Croatian Interior Minister Ivan Janjac. Good evening.

[Janjac] Good evening Vienna.

[Oberhauser] Mr. Minister, what is the reason for your cry for help and your statement that you can no longer accommodate any more refugees? Is there not enough room or not enough money?

[Janjac] First of all I want to thank the Austrian Government and the Austrian people, as well as all humanitarian organizations and individuals who have helped us to hold out in this war and to accommodate refugees.

At present, we have 270,000 Croatian refugees in Croatia and about 140,000 to 160,000 Croatian refugees who are in Slovenia, Austria, Germany, and Hungary. By 10 July, another 360,000 refugees had arrived from Bosnia-Hercegovina, which is such a large number of refugees that we no longer have room to accommodate them, that is, these expellees. We have no capacities and we have no money to pay for this and to accommodate them because our Office for Refugee Affairs owes $150 million to the hotels where the refugees now are. Moreover, we are no longer able to guarantee the health of the people on our territory.

[Oberhauser] Are all the hotels—this complaint is repeatedly heard in the West—in the tourist areas that are not needed at present full?

[Janjac] All hotels, except for some in the area of Rijeka and Istria and on the islands of Cres and Losinj, are full. The remaining hotels are our only source of income from tourism because we do not have any other source of income from tourism. We have enormous expenses. You know that 40 percent of our industrial potential was destroyed. Nothing new is being produced. We also want to thank Austria for its humanitarian aid. This humanitarian aid has arrived. So far, however, nobody has paid a single dollar to finance the further help that is needed in these hotels. That is the reason we are currently no longer able to keep a single refugee or expellee on Croatian territory, but we have to pass on the decision of our government and we are asking for your help.

[Oberhauser] Mr. Minister, what will happen with the refugees who are coming to you now?

[Janjac] I must say that the situation is very difficult. This evening I received a telefax from Slavonski Brod [on border between Croatian and Bosnia-Hercegovina], where we have to accommodate waves of refugees all the time. This evening, the column was 6 to 7 km long. The refugees waited for admission to the Croatian side. The Serbian Army bombed the bridge on which the refugees were, the river, and the boats, because there were also refugees in the boats. The extent of the current offensive by the Serbian side is incredibly large. We want to accommodate all refugees because all who stayed there are certainly condemned to death. All that is not Serbian is destroyed and killed, irrespective of the nationality and religion of these people.

[Oberhauser] What can the West and other foreign countries do to help you and to alleviate the situation?

[Janjac] At present, it is above all necessary to create pressure to halt this gigantic offensive and this war, which has no criteria at all. I do not know what this war should be called.

Second, the borders of Austria, Hungary, and Slovenia should be opened and the expellees who are currently passing through Croatia should be able to go to Europe. Europe must show that it has feelings for these people because it is evident that the Serbian side, which is driving these people to take to flight, does not have these feelings. If one sees these children who have been on the run for days.... But, unfortunately, we can no longer accommodate these people. We appeal to the whole of Europe to accommodate these people, to put an end to the war, and, once again, to accommodate the refugees. We are trying to bring back those who are healthy, but we must accommodate children, sick people, and old people. However, we ask you to permit these people to go to Europe also in the future.

[Oberhauser] Mr. Minister, today Serbia has a new prime minister, Milan Panic. He promised to put an end to the fighting. What is expected of Panic in Croatia?

[Janjac] It is hard to say. We have not yet seen his program. But I know that Bosanski Brod and Slavonski Brod were most heavily shelled this afternoon. Slavonia and Dubrovnik were also heavily shelled. That is, while Panic's inauguration was being celebrated in Belgrade today, it was one of the worst days in this war for Bosnia and Croatia.

[Oberhauser] Mr. Janjac, one final question: Western journalists report again and again that the war in Bosnia is not only maintained by the Serbian Army and chetniks, but also by Croatian activities and Croatia's efforts to get as much territory as possible in Bosnia-Hercegovina. What is your comment on this?

[Janjac] Croatia had a great deal of difficulty with the defense of its own territory. But Croats live in Bosnia-Hercegovina and they have fought and these people are being expelled from the western part of Hercegovina and, for example, the Posavina, where the Croats were expelled—they have defended themselves. But it is out of the question that regular Croats troops are there. The Croatian people live there, they have lived there for centuries. These people have the right to defend themselves. There are certainly no regular Croatian soldiers and certainly no regular Croatian Army.

[Oberhauser] Mr. Minister, thank you very much for this interview and hope you have a good journey to Vienna tomorrow.

[Janjac] Thank you.

[Oberhauser] Tomorrow, the Croatian minister will hold talks with Interior Minister Loeschnak here in Vienna.

Serbian Krajina Introduces Separate Currency

LD1507090892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1445 GMT 14 Jul 92

[Text] Knin, 14 Jul (TANJUG)—At its session today, the Government of the Republic of Serbian Krajina adopted a decision on releasing its own currency into circulation, the nominal value that equals the value of the dinar of the Federal Republic of Yugoslavia and the Serbian Republic of Bosnia-Hercegovina.

At the same time, a redenomination took place, and the rate of exchange was fixed in relation to the dollar at 200 dinars to one dollar.

With the introduction of the new money, the Republic of Serbian Krajina has also acquired a national bank with its headquarters in Knin. Bajo Marjanovic, director of the Beogradska Banka branch in Knin, has been appointed the first acting governor of the bank.

The exchange of old bank notes for new ones begins tomorrow and will last until 21 July.

Federal

Milan Panic Elected First FRY Prime Minister

LD1407155392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1447 GMT 14 Jul 92

[Text] Belgrade, 14 Jul (TANJUG)—Yugoslav-U.S. businessman Milan Panic was today elected the first head of the government of the Federal Republic of Yugoslavia.

In the Chamber of Citizens 99 deputies voted for and 33 against Panic and his program for peace and for developing a modern, democratic state with an economy based on private ownership and free competition.

In the Chamber of the Republics Panic also received the majority of votes.

After his election, Prime Minister Panic was sworn in.

President Addresses Federal Assembly

AU1407121692 Belgrade Radio Beograd Network in Serbo-Croatian 0935 GMT 14 Jul 92

[Speech by Dobrica Cosic, president of the Federal Republic of Yugoslavia, at the joint session of the Assembly of the Federal Republic of Yugoslavia, in Belgrade on 14 July—live]

[Text] Ladies and Gentlemen Deputies:

Embarking on the duty you entrusted to me, I said in this house that I will advocate a government of democratic unity, a government comprised of expert and competent people. With this intention in mind, I invited to talks and negotiations the leaderships of all political parties represented in the federal and in republican assemblies, the leading people in the republics, the leaderships of political parties of Albanians, Hungarians, and Muslims, as well as some influential parties that are not represented in the assemblies. I also had talks with prominent people in our religious, public, and cultural life. My invitations were not responded to by the political parties of Kosovo Albanians and the Socialist Party and the Liberal Party of Montenegro.

As you already know, representatives of Serbia and Montenegro proposed their candidates for the chairman of the federal government. After talks with party leaderships that I believe were conscientiously carried out, I am convinced that Mr. Milan Panic, chairman of the Californian company ICN, a citizen of Belgrade by birth and youth, and, under these circumstances, by his characteristics and capabilities, the best candidate for prime minister.

The leadership of the Democratic Party of Socialists of Montenegro, the ruling party in that republic, invoked the Constitution and demanded of me that I publicly explain why I have not appointed a Montenegrin as prime minister-designate, as I, president of the republic, am a Serb. My reply is as follows: The constitutional formulation which says that, I quote, as a rule, the president of the republic and the prime minister cannot be from the same republic, following the legal logic means that they can be from the same republic if the circumstances are such that general and common interests require them to be from the same republic. I am convinced that the Montenegrins who voted in favor of unification with Serbia know that this hour of our survival is such that the only valid rule is the rule that gives us more hope to survive the misfortunes that have befallen us. To these Montenegrins who are turned to life and the future, I extend my thanks for their understanding and tell them that we are now not electing the prime minister according to some rule but according to the following verse by Njegos [19th century Montenegrin ruler and poet Petar Petrovic Njegos]: Is there a brother anywhere in the world who would regret having helped. [applause] And I believe that Mr. Milan Panic is that man and brother who can help us now. I hope that this same belief is also harbored by you deputies and a great majority of the citizens of Montenegro and Serbia.

However, as regards to myself, Milan Panic, and people in general, please let us not inflate mere hopes, harbor a facile belief, and proclaim anybody a savior before we are saved. Our situation is so grave, our capabilities modest, our tomorrow is so uncertain that there is no sage and savior, a prophet and leader who can save us and lead us into a more certain future if we all, from the president of the republic, to a nurse, to a farmer, fail to wholeheartedly get to work and conscientiously perform our duties.

In the political history of Serbia and Montenegro, only occupied Serbia has had a government that proclaimed itself to be a national salvation government. A national salvation government is today being chosen and proclaimed by people who consider themselves to be saviors. I do not want to elaborate on the extent that such self-confidence is convincing and democratic. I hope that at the next elections citizens will give them an opportunity to confirm their self-confidence. We are electing a government today that we trust will act reasonably and honestly, will work and not rule, and will know how to perform and be able to perform the most difficult state duties in the recent history of this country. These tasks are as follows: Taking the country out of isolation and the punished status and leading our society into a period of renewal, development, and progress.

This government that you are going to elect today is not the government of a more complete democratic unity of the Federal Republic of Yugoslavia that I had advocated, because opposition parties were not ready to take part in the new government and share the responsibility for managing the country with the ordeals that have befallen it and before dangers that threaten it.

Ladies and Gentlemen Deputies, apart from persons and parties represented in this assembly, the government of

Mr. Milan Panic also includes people of nonparty orientations and members of opposition parties represented according to the criterion of competence and expertise, patriotism, civil conscience, and responsibility. The prime minister-designate is going to present the government and tell you about it more than I had.

Allow me now to say something about present circumstances and most urgent tasks of general importance and interest that are awaiting us. On the ruins of Yugoslavia and the Bolshevik-socialist order onto which the blood of an interethnic, civil, and religious war is being poured, in a country whose industrial production has been halved and is following the tendency of and accelerated fall, a country with increasing unemployment and a shortage of basic vital products, lack of means for a normal functioning of hospitals, schools, traffic, and scientific and cultural institutions, in a country of a strong discontent with the authorities and people in power—a discontent that is growing into revolt, wrath, and hopelessness—in a society with a social and political rift that is quickly growing more profound and with unreasonable, backward, and evil-bearing activities of demagogue politicians and until recently ideological gendarmerie, among a people humiliated by Tito's despotism, divided by communist borders and ideological and other divisions, in a country in which economy, institutions, administration, banks, and shops are crowded by bureaucrats, many incapable directors and chiefs, idlers and unconscientious clerks, in a society pervaded by parasitism in which very few things of public importance is working as it should, so that citizens are exposed to everyday mistreatment and humiliations, in a society in which destruction, asocial behavior, violence, lawlessness, and chaos have broken out, with a public life in which lies are still passing for truth, in which irresponsibility serves as the standard for opposition, among a people that are so confused that they are following even the specters of history, what is to be done? I ask myself, and I ask you. In a country condemned to expulsion from the world community and an isolation unprecedented in history, in a country whose political regime has been proclaimed to be planetary evil, in a world that proclaimed us to be barbarians, aggressors, destroyers of cities, in a world powerful enough to be able to proclaim evil to be good, untruth to be truth, unrighteousness to be righteous, lack of freedom and inequality to be democracy, in a world that we failed to understand and lacked knowledge and will to adjust to it, for us, about 10 million of people dispersed over the Balkans and surrounded by hatred and misunderstanding and under the threat of directed missiles [raketa], the vital question is as follows: How are we to survive, how are we to avoid punishment and expulsion that was passed onto us by the UN Security Council, how are we to persuade the world that we support peace, freedom, democracy, and human rights, and how are we to embark onto renewal and return to the world community? Finally, how can we, while changing ourselves, influence changes in the world that is enveloped in triumph and still too narrow to understand the depth and volume of the historical tragedy that took place in these regions of ours? These questions are not political. They are existential in the literal meaning of the term.

Had these questions been political, the writer of The Times of Death and The Times of Evil [Cosic refers to himself, these are titles of two of his novels] would not have stood at this rostrum. The times are really out of joint. What is involved is really to be or not to be. When a people are really faced with the times of reckoning—and we are now in such times—then all living people are expected to muster all resources with a view to working for survival and the future, using the most valuable traditions from our past.

Being a man in this country today means to take care of and work for the homeland just as one would do for one's own family and one's own home. If we fail to be reasonable to the degree of the highest civil and moral responsibility, if as a people we fail to work in factories, in institutions, on the fields, and on every working place and public service three times as much and as good as we used to work, we are going to perish into material and spiritual poverty, we are going to be ashamed of our country, of our name, and of ourselves, and mutual hatred will poison our souls and destroy our consciousness. Only selfish and heartless people—and there are many of those here today—work for themselves, profit from the people's suffering, and do not care about other people, the survival of homeland and the tomorrow of their people. Therefore, what are we, who have accepted to perform state and public duties, going to do? The changed and quickly changing world, the new neighboring states around us, the new state that has been created with the unification of Serbia and Montenegro, the breakup of Yugoslavia and the Titoist order, a state of emergency that we are in today, and the new state and social tasks and duties all require new policy and new people and the filling in of trenches and the annulling of divisions that are bringing us further away from the modern world.

The spirit, principles, and meaning of the new policy are elaborated, thorough, and evolutional changes to the entire state and social structure. In the contents and methods of implementing the new policy, one must separate long-term aims from immediate tasks. Among the long-term tasks, I am now going to point out the following:

The people and society who have been going through a troubled existence along the side roads of history and under a tragic coercion for almost a century should be included in the existing integrational currents and processes of the modern world as quickly as possible.

Interdependence should be optimally respected and used as the main determinant of the life of national and state communities in our civilization.

The ideological state and ideological society should be radically transformed into a democratic state and a society of free citizens. The people who had the Code of

Dusan [Serbian emperor] in the middle of 14th century and therefore were at the peak of the European legal culture then and who were considered one of the most democratic European states at the beginning of the 20th century now possess the strength, wisdom, and vital reasons to establish a model democratic state and a modern civilian society.

National and social goals should be established according to one's own strength and objective conditions, and all general needs according to rational criteria and real abilities. One should free oneself from manias for national myths and aggrandizment which frequently caused the existential tragedy during the history of Serbia and Montenegro.

One should create a productive, civilized, and enlightened society that would use natural resources in an ecologically rational way. One should enable and encourage the entrepreneurship and creativeness of our talented people in all spheres of life. Our basic value are the people and not ores and wood. Our basic developmental asset today is the intellectual and not financial capital. Our basic energy is the knowledge and will to perform historic renewal, not electricity and coal.

Regarding immediate tasks, I consider the following ones to be primary:

One should meet the requirements of the Security Council and free the country from sanctions and isolation and most actively cooperate with all world factors—the United Nations, the EC, the CSCE—on establishing peace and normalization of relations among people and states of the former Yugoslavia and the Balkans that are of direct interest to us.

In foreign policy, one should coordinate state and national interests with the new constellation of the world and adjust oneself to factors dominant in the world along with preserving national dignity, be among the first in the world community to support peace, universalization of human rights and national equality, express stressed and rational efforts in favor of economic and comprehensive cooperation with newly created states on the territory of Yugoslavia, cooperation that must be bilateral and multilateral and would create objective conditions to fully recognize the newly created states. One should immediately begin preparations for the international conference on Yugoslavia, which should solve basic problems of its breakup and creation of new states.

One should stop the fall in production, continue and accelerate ownership transformation according to market criteria, push the extensive and exhausted industry toward a technological transformation and a greater and better quality production, and encourage entrepreneurship in all spheres of production and trade.

One should formulate new agricultural policy, change the attitude of the state toward country and peasants, free peasants from social humiliation and hopelessness, expand and intensify production of healthy food, encourage young people to remain in the country to on the land agriculturally, and help those people who are unemployed in towns and threatened by poverty and a meaningless life to return to the countryside.

One should wholeheartedly take care of the poor. A social policy should alleviate poverty and the suffering of the poor, the unemployed, and pensioners with pitiful pensions. The times are such that we all, as people, citizens, and patriots are obligated to share the troubles of life and as equally as possible bear troubles and poverty. One should supply hospitals with medicine and necessary equipment for treatment and saving people's lives.

One should stop the brain drain and the outflow of creative imagination, and the young strength from the nation. One should create necessary conditions to young generations for work and creativity and make it possible for those people who have left to come back.

One should solve the Albanian question and the national questions of all ethnic minorities in a thorough, democratic, and resolute way by creating conditions to implement human and civil rights according to universal norms envisaged by our Constitution, the UN Charter, Helsinki Act, and the CSCE Charter.

One should suppress corruption, lawlessness, and economic and any other crime with all legal instruments and strict laws.

One should accelerate and conclude the transformation of the Yugoslav People's Army into an unideological, efficient, and modern army that a democratic and civilized state needs to protest its peace and freedom. At the same time, one should advocate the demilitarization of the Balkans and the world that threaten us.

One should resume and increase investment into science, the basic developmental factor of our civilization. With a new policy in science one should restructure scientific institutions, particularly encouraging spheres of existential importance and spheres where we possess realistic and authentic creative forces.

One should energetically debureaucratize and modernize state authorities, reduce administration, introduce general rationalization, abolish privileges, preferential treatment, wastefulness, and luxury at all levels.

To be able to create and reanimate new policies by which we could accelerate and carry out the basic changes of the existing system and realize a historic renaissance of our society, the following is inevitable, in my opinion:

To undertake the constitutional reform of the federal state and both republics to coordinate and perfect the current conditions. To finally break loose from Tito's Yugoslavia, from an ideological and party state, by such a constitutional reform. We have all the national and civil reasons to form a constitution of free and united people, a constitution of free residents, a constitution of the highest legal culture.

I propose that a constitutional commission be formed immediately to facilitate the compilation of such a constitution that should consist of the representatives of all important political parties—those in the Assembly and those from the opposition—the representatives of both republics, and the best legal experts that our country has. New constitution should truly be an expression of free will and democratic conscience of the residents of Montenegro and Serbia.

To take into consideration strongly voiced demands for new democratic elections by the opposition and the citizens who are not members of political parties.

To hold the elections for the federal and republican assemblies by the end of November 1992.

To form a roundtable or political council with the federal and republican governments as soon as possible so that the new elections will be democratic in all aspects. The roundtable or political council would consist of the representatives of the government, and of the ruling and opposition political parties that represent a true political factor with their membership and significance. The roundtable or political council should compile a law on parties that should guarantee basic conditions for the functioning of the parties, an electoral law, and an agreement on conditions and rights for the usage of public information sources in electoral campaign.

The federal government must submit a law on information to the assembly as soon as possible, by which the democratic rules for usage of state and public media—television, radio, press—would be established.

Ladies and gentlemen! I know that the list of our state and national tasks and duties is much longer than the one I presented. I leave it to you and to the residents of our country, to your voters and opposition, to those that have trust in you and in myself, and to those who do not believe that we work for the good of our nation, to critically re-examine the correctness and productivity of the policies that they support.

The most difficult and urgent thing in the entire policy of the federal state today is fulfilling the obligations of the Security Council and the Helsinki CSCE resolutions.

I would like—before you here in this house—to promise to the Security Council, the EC, and the CSCE that the Federal Republic of Yugoslavia will do everything in its power to fulfill the conditions contained in these resolutions and the realistic conclusions of the CSCE.

We are not a suicidal nation or a nation of madmen. In the 20th century, no European nation has had more war victims than the Serbian people, than the people of Serbia and Montenegro. I cannot believe that there is a nation in the world that would care more for life and peace than we do. However, peace in Bosnia-Hercegovina cannot be achieved with only the Serbian and Yugoslav peace efforts.

Peace in Bosnia-Hercegovina is hindered by Croatia with its aggression on that country and the annexation of its territory. Peace in Bosnia-Hercegovina is hindered by the Muslim war for Islamic hegemony with religious motives and aspirations.

As supreme commander of the Yugoslav Army, I claim full responsibility for the following: There is not a single soldier or officer of the Army of Yugoslavia in Bosnia-Hercegovina any longer. Not all of the military hardware of the Yugoslav People's Army has been withdrawn because of the armed attacks by the Croatian-Muslim forces on the barracks and the blocking of roads. The war equipment of the Yugoslav People's Army has not only remained in the hands of the Army of the Serbian Republic of Bosnia-Hercegovina.

The Muslim-Croatian coalition was left with the following: 231 tanks; 300 guns of various caliber; 27 multiple rocket launchers of the (?Kov) type; 60 multiple rocket launchers of the Oganj type; about 5,000 mortars of higher caliber; 100,000 automatic and semi-automatic rifles; 100,000 rifles of the M-48 type; 5,000 sniper rifles; 15,000 submachine guns and machine guns; and a fairly large amount of ammunition for infantry weapons and artillery.

Moreover, the Muslim-Croatian coalition was left with 11 factories, producers of military arms and ammunition. Among them is a factory of multiple rocket launchers and rockets, working under full capacity today.

The army of the Serbian Republic of Bosnia-Hercegovina was left with: 24 training-combat aircraft; 20 helicopters; and four artillery battalions [raketni divizion]. They stayed at Banja Luka airport because the pilots and other crew members refused to move to the territory of the Federal Republic of Yugoslavia, because they are citizens of Bosnia-Hercegovina. Then, they were left with 300 tanks, 231 artillery pieces of various caliber, and a large amount of infantry weapons and ammunition.

Since 19 May, no combat aircraft or helicopter of the Air Force of the army of Yugoslavia has flown over the borders of Bosnia-Hercegovina and Croatia. The Army of Yugoslavia is not extending any help in arms and military equipment to the army of the Serbian Republic of Bosnia-Hercegovina. It is only taking part in extending limited humanitarian aid. It is not participating in any way in the commanding of the army of the Serbian Republic of Bosnia-Hercegovina.

The General Staff of the Army of Yugoslavia is investing great efforts in withdrawing the rest of the military equipment from Bosnia with the help of UNPROFOR [UN Protection Force], proposing that all the heavy weapons on the territory of Bosnia-Hercegovina be immediately stocked and placed under the UNPROFOR control. Regarding paramilitary formations, they are outside our control, and we cannot be held responsible for their activities.

I do not understand why it is not realized that the war on Bosnia-Hercegovina is an interethnic, religious, and civil war. This is not a war of one nation and one religion that could be ended by the will of one side in the conflict. Its end does not depend on the goodwill of Serbia and Montenegro. This war can only be concluded with the will of all three warring sides and the will of their foreign protectors.

Peace in Bosnia-Hercegovina cannot be achieved if it is not made conditional upon political solutions, ethnic cantonization, and the full national and civil equality, in both the confederal structure of the state and within the territorial frameworks of the ethnic communities with the basic principle: Do not strive for an ethnically clean community.

Ethnic cleansing, carried out by all participants in the civil war in Bosnia-Hercegovina, terrifies all sane persons. I must appeal from this hall to my fellow Serbian nationals in Bosnia- Hercegovina to never cause harm to or take revenge upon a member of another ethnic group or religion just because he is not a Serb or of an Orthodox faith.

Since I believe that the world community, the United States, and Europe particularly, care about peace and realization of human and ethnic rights, which is our main goal, too, I consider it inevitable that they use their peace-making mission and power against the Croatian and Muslims war actors, too. If this is not done, then the world community, the United States and Europe, assume the responsibility for liquidation of a nation, liquidation with unforeseeable consequences for its engagement in this tragedy also.

I appeal to the democratic conscience of the UN Security Council members, to the Governments of United States and the European states that they refrain from use of power in their wish for peace in the Balkans, and help us through political power and other means so that we may jointly find the solutions to end the bloodshed and terrible suffering of all three ethnic communities in Bosnia-Hercegovina.

With its entire history, the Serbian nation won the understanding for the rights that have been denied it, for justice and equality among the ethnic communities that have not been granted to it. The understanding of the world community and its assistance now in lifting the sanctions and the isolation will be remembered and repaid.

Deputies, citizens of Yugoslavia! I beg the restless and discontented among you, political allies and opponents, I beg all citizens of our state that they, through a wholehearted execution of their work, civil, and patriotic duties, demonstrate patience and solidarity in the overall misfortunes, that they allow the government and all of us who hold state posts and serve the nation the time needed to reconstruct the demolished state and fulfill the assigned tasks and objectives. This is not the time for destruction but the time for building. This is not the time of uproar and anger, it is the time of civil tolerance, agreement, and cooperation on the tasks that are aimed at saving our country from the misfortunes in which it has found itself and from the horrors that are threatening it.

The appeal for cooperation and civil solidarity is also an invitation to criticism, it is an appeal for patience and request for tolerance. The power to understand, work, and endure contains human and peoples' belief in a triumph over the forces of evil and confusion, the belief by which we survived through all historic challenges. We base our hopes for the establishment of a society of democracy, freedom, and human rights in our country upon these spiritual and moral powers of our nation. Thank you! [applause]

Panic Addresses Assembly, Names Ministers

LD1407133792 Belgrade TANJUG Domestic Service in Serbo-Croatian 0839 GMT 14 Jul 92

["Full text of Milan Panic address to Yugoslav Assembly"—TANJUG headline; all quotation marks as received]

[Text] Belgrade, 14 Jul (TANJUG)—In these times which have befallen our country, I have accepted the proposal of Honorable Dobrica Cosic, president of the republic, to become federal prime minister-designate of the Federal Republic of Yugoslavia [FRY], and I have accepted it even more gladly because the proposal was endorsed by the highest institutions in the country, by the world of business and by citizens, Federal Prime Minister-Designate Milan Panic stressed at today's joint session of the Chamber of Citizens and the Chamber of Republics of the FRY Assembly.

I have no political ambitions, but I do want to help this country overcome the difficult situation in which it has found itself, to direct all its energy toward peace, work, and prosperity, rather than toward the burdens of war, Panic said. "Let us not pine over the past, let us turn toward the future".

Honorable deputies, I expect support and understanding from this honorable assembly. We can succeed only together, keeping in mind the interests of the country, Panic stressed.

I believe that it is not necessary to discuss all program tasks facing the federal government which I will form if you vote for me. I will present only the basic, strategic lines of my own and the government's activities. If you accept them, they will be elaborated in special government programs, Panic explained.

"A permanent peace in Bosnia-Hercegovina and stability in other regions is the basis for the settlement of the entire Yugoslav crisis. Therefore, the federal government will do everything it can so that all warring sides immediately cease fire, stop the killing, bloodshed, and further destruction of the cultural and material wealth.

Nations living in these regions are not inclined toward violence and killing. On the contrary, the tend toward being respectful of their neighbors, hospitable, and cherishing cultural and other traditions, Panic said.

In this regard, according to the premier-designate, it is necessary to demilitarize the entire territory of Bosnia-Hercegovina, and disarm all formations and groups (Serbian, Croatian, and Muslim) under UN control.

I promise I will personally do everything so that heavy weapons which belonged to the former Yugoslav People's Army and which remained in Bosnia-Hercegovina will be withdrawn from the territory of that republic as soon as possible. I expect all others in Bosnia-Hercegovina who are in possession of heavy weapons to do the same, Panic stressed.

We recognize that Bosnia-Hercegovina is an independent state and a member of the United Nations Organization. I believe that in order to achieve a permanent peace in Bosnia-Hercegovina it is necessary to arrive at a constitutional and political system of this republic through an agreement between all three nations (Serbian, Croatian, and Muslim) and the citizens who live in it. To this effect, Milan Panic stressed, we expect the United Nations to become most actively involved with all the political means at its disposal.

Nobody can convince me—because I know that from my personal experience—that the Serbs hate the Croats and vice versa, that the Croats hate the Serbs, or that the Muslims hate either the Serbs or the Croats, or vice versa, the premier-designate stressed.

They are supposed to live together because they are either related or linked in another way. They are so intermingled that they can only live in mutual trust and respect. I will substantiate this with the fact that on the territory of former Yugoslavia there are over a million mixed marriages and their children and relatives are among the members of all nations who live on this territory, Panic stressed.

At the same time, the federal government will give the international community all necessary guarantees that it will take all measures so that this region becomes a factor of peace in this part of Europe.

In addition to a lasting peace in Bosnia-Hercegovina, it is necessary to secure strict observance of the UN peace plan in Croatia. The federal government will work ardently toward this and fulfill all obligations envisaged by the plan, the premier-designate said.

At the end of the 20th century there is no idea in the whole world worth killing for. Threads of coexistence intertwined in all parts of former Socialist Federal Republic of Yugoslavia for over 70 years. I wonder whether all these threads can be or are to be broken so suddenly, without creating great difficulties for all.

"I will do everything, Panic said, to reestablish mutual trust and cooperation between the Federal Republic of Yugoslavia and new states created from parts of former Yugoslavia. To this effect, as a first step the federal government will take all necessary measures regarding mutual recognition and establishment of interstate relations".

The premier designate stressed that the federal government expects the newly created states not to dispute the international legal continuity of the Federal Republic of Yugoslavia. "I would like to stress here that recognition of continuity of the Federal Republic of Yugoslavia does not mean that it is the only successor of the Socialist Federal Republic of Yugoslavia."

The Federal Government will offer a multilateral agreement to all states created on the territory of the Socialist Federal Republic of Yugoslavia, Panic stressed. The agreement will include issues relating to economic cooperation (flow of goods and services with fewest restrictions, unhindered flow of people, the guaranteeing of equal civil rights on the basis of reciprocity to all citizens of the Socialist Federal Republic of Yugoslavia on the territory of newly created states which their own citizens enjoy); we shall also in this way again build trust and communication disrupted by the war and create conditions for new forms of coexistence".

"I energetically declare that I do not accept the so-called ethnic cleansing of certain territories wherever it is carried out and whoever is doing it." Therefore, the government will do everything, including offereing humanitarian aid, to create all necessary conditions for the return of refugees to their homes, to guarantee their personal security, that of their property, and basic minimums. I hope that the same will be done by governments of the newly created states on the territory of former Yugoslavia. In this regard I expect great help from the international community, Milan Panic stressed.

According to him, the federal government will offer each of the newly created states a special agreement containing a proposal that all open questions which are of existential importance for the citizens of the former Socialist Federal Republic of Yugoslavia be settled; the questions relate to the return of refugees and regulation of their status: citizenship, payments of pensions and salaries, other labor rights, real estate ownership and ownership of other property by citizens and legal entities.

The federal government will propose that criminal charges against those who took part in armed conflicts be dropped while those who have been convicted be pardoned, except for perpetrators of genocide and war crimes, who have to be punished. We insist that the same be done by governments of the newly created states on the territory of the former Socialist Federal Republic of Yugoslavia, Panic stressed.

Upon being constituted, the federal government will immediately take all measures to secure the basic democratization of political life. The Federal Republic of

Yugoslavia should develop as a free, modern, multinational and multireligious community, Panic said. Full freedom, human and civil rights must be guaranteed to all irrespective of their national and religious affiliation. National minorities must enjoy all rights based on the standards of the European Community and modern accomplishments in the world, the premier designate stressed.

The government will immediately urge the calling of new elections at all levels in Yugoslavia. It is necessary to regain trust in democratically elected institutions of power and ensure their full credibility in the country and abroad. The elections should be organized as soon as possible, within a few months. Panic stressed that the government will work toward the creation of all necessary conditions which will guarantee such a character of elections, of the election campaign, and of the very act of voting.

Such thorough preparations, according to him, should secure all elements of political pluralism, freedom of the press, of speech, information, and public gathering. "Nobody should be affected by this. Nobody who pledges democracy will be able to seek reasons or pretexts for not taking part in elections. Boycotting elections is undemocratic."

Immediately upon coming to power the government will call on the leaders of all political parties to start negotiations in a democratic atmosphere on election rules and observance of democratic procedures. The government will make a maximum contribution to the acceptance of the elections as a call for peace and democracy.

Whoever cannot find his place within such a platform will be easily recognized by the people and the public as the one whose main guiding idea is not common interests and the well-being of the people, Prime Minister Designate Panic said.

"I will become personally involved to make sure that the government secures all conditions for the freedom of the press and the unhindered flow of information," Panic said. "This also includes preventing any party from having a monopoly on the editorial policy of mass media founded by the state—this also applies to the ruling party; the government will also oppose abuse of the press to spread untruths."

A good and unbiased editorial policy must secure objective and truthful information which will not insult anyone's personal dignity. Efforts should be directed, the prime minister designate said, toward lifting information blockades and stopping a media war on the territory of former Yugoslavia.

The federal government will particularly urge and take measures for the Federal Republic of Yugoslavia to develop as a modern democratic community, based on the rule of law, which will ensure legal security and equality before the law for all citizens regardless of their national and religious affiliation, Panic stressed. "The legal system of the Federal Republic of Yugoslavia must be coherent and coordinated. The existing laws will be subjected to a thorough revision.

The federal government will most energetically fight all illegal acts and acts of violence by anyone or by any illegal armed groups. To this effect the government will resolutely call on state bodies to act boldly and efficiently."

The bodies of the federal government, the federal ministries and other bodies of the federal administration, must be organized in such a way as to ensure effective, rational, and lawful work in the implementation of federal laws and other federal regulations. This entails the creation of a highly expert and reliable state administration, free from any influence by political parties, with a number of employees and a relevant status in keeping with the functioning of a modern state administration, Prime Minister Designate Panic said.

The federal government will advocate that the Yugoslav army be set up and acts in line with the country's constitution as its armed force. The army's sole role is the defense of the country, of its independence, and of its territorial integrity, Panic stressed.

The federal government will work to reestablish relations—which are now disrupted—with other countries and international institutions. This refers in particular to the United Nations, the CSCE, and the EC.

In this way we hope to prevent the current halt or even the total breakdown in Yugoslavia's foreign political activities, the prime minister designate stressed. The federal government will conduct its foreign policy and international relations with other countries in line with the constitution. It will respect the principles of the UN Charter, the CSCE Final Document, the Paris charter, and other international documents which regulate relations between sovereign states.

We expect, Panic added, that other states, and especially the newly created states that have emerged on the territory of the former SFRY, will do the same in their relations with the Federal Republic of Yugoslavia. "I wish to emphasize in particular that the FRY has no territorial claims against neighboring states."

My entire policy and the changes that will ensue in the country's political and economic system are designed to convince the international community to accept Yugoslavia as a democratic, civil state and as an equal partner.

The prime minister designate then went on to speak about the current situation in the country.

We have found ourselves in a difficult situation due to a prolonged crisis which, after the disintegration of the old state, culminated in war. The economy is on the verge of collapse. The already low standard of living of the population continues to decline. A large section of the population lives below the poverty line.

I appreciate that you are all aware that to close our eyes to these facts and any prolongation of such a state under an unprecedented blockade will inevitably lead the country to the verge of catastroph, Panic emphasized.

The time has come for us to open the path of hope that we will emerge from such a situation. The government is aware that it is faced with very difficult and complex tasks of reviving, consolidating, and generating a recovery in the economy and in transforming it into a market-led operation.

I wish to point to just some of the basic conditions for overcoming the above problems.

First, I wish to draw your attention to the fact that any stabilization process has its price which must be paid (a decline in the standard of living, increased unemployment, reduced public spending, and others). Existing difficulties are unfortunately not a result of short-term dislocations in the economy which can be removed swiftly and easily. They stem from deep structural problems in the system which you had in the preceding period. To eliminate these problems requires more time and considerably higher costs, Panic stressed.

According to him, Yugoslavia must primarily rely on its own resources to pull out of the crisis but "we will also need strong international financial support. One of the conditions for obtaining this support is a consistent stabilization program in line with the criteria and requirements of the IMF and readiness on our part to implement it. To this end we will intensify our cooperation with the IMF and with other world financial institutions."

Second, there is an urgent need to remove all causes which led to the blockade of Yugoslavia in order to restore economic relations with the world and to continue cooperation with other international financial institutions. This is one of the first and most pressing tasks facing the government in this sphere, Panic said.

Third, the government will immediately establish contacts with the governments of the newly created states on the territory of the former SFRY and propose the following:

—Immediately to restore all links in transport, the electricity network, and post and telecommunications and to resolve problems in financial transactions;

—immediately to begin work on resolving issues of reciprocal rights and obligations in the division of assets of the former common state on the basis of principles envisaged by international law, Prime Minister Designate Panic stressed.

The government will approach the newly created states on the territory of former Yugoslavia with a proposal to set up an economic union, he stressed. "We are ready to develop even higher forms of cooperation and links."

According to Panic, in the economic field the federal government will focus its activities, above all, on the following three tasks:

First, to cut inflation and stabilize economic trends. "For the time being, and until the restrictions I mentioned earlier are removed, it will not be possible to produce any considerable results in cutting inflation. Measures adopted recently by the Federal Executive Council and the republic's government are of limited effect. The federal government will immediately analyze them and assume standpoints on them."

The government will work along two parallels: (1) to remove limitations and (2) to pass complex measures in order to curb inflation, Panic stressed.

The development of the economic system is another matter. All legislation regulating some specific elements of the economic system will be thoroughly revised.

Certain administrative and confederal elements inherited from the old system will be eliminated, the premier designate said, in order to make the economic system compatible with those of market economies. "This implies the owerhelming domination of private ownership and the highest level of free enterprise and initiative, the free flow of goods, labor, capital, information, and the security of financial transactions."

The monetary authorities will be set free and made independent as we will separate monetary from fiscal policies. In this way we will facilitate the building of a market, world-oriented economy capable of establishing ties with Europe and joining the world's economic trends, Panic stressed.

The state also has to play its role in defining the economic system and devising economic and developmental policies. Its entrepreneurial function should be reduced only to those areas which represent natural monopolies of general social significance (large infrastructural systems), something the private sector is not interested in.

The state must have adequate mechanisms at its disposal to enable the market and competition to function freely and to regulate macroeconomic trends. I will be energetically advocating, I demand your support to this effect, strict compliance with federal legislation and the federal state's measures in the sphere of economy and their implementation. Only in this way can the federal government manage those operations which are constitutionally under its jurisdiction, the premier designate stressed.

Third [as received] is the restructuring of and changes in property relationships.

Our economic policy measures are designed to give a strong impetus to restructuring large enterprises and to setting up new firms, especially export-oriented ones. We will, however, insist on closing down enterprises with no market prospects.

Our orientation to rational privatization is of exceptional importance for the country's economic recovery. Owing to the inefficiency of the social compared to the private sector and in order to raise the level of efficiency in economic operations, to increase the inflow of additional foreign capital, and to ensure our economy's more effective participation in the world economy, measures will be needed to speed up the privatization process, Panic said.

A transition from social to state ownership must be accepted as an inevitable transitional stage along the road toward privatization. To this end the federal government will propose a federal law to regulate the privatization in a manner common to the entire country—but only under economically sound conditions and not as a way of acquiring property without any compensation, Panic said.

If such major changes as stabilization, changes in property relationship, the restructuring of the economy, and its transition to market operations are to be carried out it is necessary to draw up basic social welfare programs to defuse social tensions, Panic stressed. "Otherwise, mounting social problems can hamper the execution of the above tasks. The governments of the republics, the federal government, and the trade unions will be involved in the work on these programs."

In conclusion of his report Milan Panic said:

The outcome of all this is that serious and urgent work must begin to change the constitution and develop a legal system in the country as a whole.

In conclusion, I would like to stress that these are only the basic strategic outlines of the government's program. We will need a lot of effort to elaborate it in laws which the government will propose to the Federal Assembly for adoption, in economic measures and development policies, as well as in overall activity of the federal government and its ministries.

This will gradually fulfill the basic requests of the UN Security Council resolution, on the basis of which the sanctions against Yugoslavia were imposed. I am convinced that when the sanctions are lifted, the obstacles for FRY involvement in European and international economic and political currents will be removed, Panic assessed.

It is only by our deeds that we will prove to the world that the Federal Republic of Yugoslavia is in favor of peace, cooperation, good relations, friendship, and partnership based on equality. I repeat and I stress that neither this nor any other program can be realized without all entities in the FRY taking measures which will remove the causes which brought about the Security Council sanctions. The government will work to achieve this and it will contribute to the successful working and ending of the conference on Yugoslavia. In that sense, the government supports President Mitterrand's initiative to hold the conference on Yugoslavia, Panic stressed.

"In order to implement the presented program, and proceeding from its constitutional competence, I feel free to announce the composition of the federal government of experts which I have chosen.

Stressing that this is not a political government but a government of experts, Panic said that the government will consist of 3 deputy prime minister and 18 federal ministers.

Two of the thee deputy prime ministers are: Oskar Kovac and Radoje Kontic, and the ministers are:

Vladislav Jovanovic	foreign minister
Pavle Bulatovic	minister of internal affairs
Blagoje Lucih	minister of foreign economic relations
Nikola Sainovic	minister of economy
Milutin Mrkonjic	minister of transport and communications
Branko Radovic	minister of labor, health service, and social policy
Tibor Varadi	minister of justice
Ivan Ivic	minister of education and culture
Vlastimir Mateic	minister of science and technology
Miodrag Perisic	minister of information
Mihajlo Buric	minister of environment
Djordje Perisic	minister of sport
Radmila Milentijevic	minister without portfolio
Ljubisa Rakic	minister without portfolio

Honorable chambers, please accept the presented program and the proposed members of the new government. Considering the extremely short period of time I was granted to compose the government, I will inform you subsequently about who will be the third deputy prime minister, the minister of agriculture, and the minister for human and minority rights, Panic said.

Until an adequate solution is reached, Panic explained, Prime Minister Milan Panic will perform the duties of defense minister, and Deputy Prime Minister Dr. Oskar Kovac will perform the duties of finance minister.

I might have to make some changes in the composition of the federal government about which I will inform you in a timely manner, honorable deputies, Prime Minister-Designate Milan Panic concluded his address to the Federal Assembly, again thanking President Cosic for the confidence shown in him.

Reactions to New Government Noted

LD1507062992 Belgrade TANJUG in English 0310 GMT 15 Jul 92

[Text] Belgrade, July 15 (TANJUG)—The foreign policy of the Federal Republic of Yugoslavia will now be characterized by "broader, and more inventive and ambitious" activities, foreign minister in the new Federal Government Vladislav Jovanovic said on Tuesday [14 July].

"We will try to convince all those who do not believe us that the truth is on our side and that we want peace," Jovanovic, until Tuesday foreign minister of Serbia, told Belgrade Television.

Oskar Kovac, vice-president in the cabinet of Prime Minister Milan Panic—a U.S. businessman of Serbian origin, said the government would work intensively so as to continue the implementation of economic reforms.

President of the Montenegrin Presidency Momir Bulatovic said the new government should "show and prove (to the international public) that we do not want war or international isolation of the FR [Federal Republic] of Yugoslavia."

"I hope that democratic changes will take place in our society, accompanied by the soonest possible elections at all levels," said Bulatovic, one of the two Montenegrin candidates for the post of federal prime minister.

Montenegrin Prime Minister Milo Djukanovic, the other candidate from that republic, said his government would support the programme which Panic submitted to the Yugoslav Assembly.

"The situation that we are still to face does not allow too an ambitious programme," said Djukanovic, adding that he would be very satisfied if the offered programme could effect the lifting or at least easing of the U.N. sanctions.

Parliament Upholds Panic Recovery Program

LD1407220592 Belgrade TANJUG in English 1856 GMT 14 Jul 92

[Text] Belgrade, July 14 (TANJUG)—The Yugoslav Parliament on Tuesday [14 July] upheld the programme put forth by Milan Panic, the first prime minister of the Federal Republic of Yugoslavia. The programme offers peace and the development of a modern democratic state, whose economy should be based on private ownership and free enterprise and competition.

Minor points were raised in criticism of inadequately firmly defined deadlines and speed with which the new measures should be implemented.

"We expected a government of experts and a more thoroughly defined economic programme," said the leader of the Serbian Radical Party, Vojislav Seselj. "Mr Panic says that this can be taken care of, but some parts of the programme are totally unacceptable to us, because they make no mention of the (Republic of) Serb Krajina," Seselj said.

He said that Serbia had undertaken to assist Krajina, and asked what was to become of the Serbs there if the United Nations were to withdraw its peace-keeping troops from the region before a political solution had been reached.

Rastko Krsmanovic of the League of Communists-Movement for Yugoslavia criticized the premier-designate for not taking into account the actual situation at home and urging instead a purely capitalistic concept.

"I accept Mr Panic's concept basically, but I expected an anti-inflationary programme with firm deadlines and concrete measures," said Zoran Kostic of Serbia's ruling Socialist Party.

Caba Sepsei of the Democratic Alliance of Ethnic Hungarians in Vojvodina said he had every confidence in the designated government and in Mr Panic personally, primarily because he is working for peace.

Cooperation and, specifically, a restoration of economic ties in Yugoslav lands would be very useful, said Milan Kljajic of Montenegro's Democratic Party of Socialists.

Thanking the deputies for their support, Prime Minister Panic said that Yugoslavia had a future, but only if all should work for the future and not for the past.

Panic hoped he would have an opposition, because it is only in a clash of opinions that the best solutions can be found.

He stressed he would begin work immediately towards lifting U.N. sanctions against Yugoslavia, to which end the Government would devote most of its time and energy.

Panic said he would endeavour to build the kind of capitalism he knows best, which is a capitalist welfare state. He said it could be called socialism, but not the kind of socialism that existed in these lands before.

June Exports Down 50 Percent From Last Year

LD1407154992 Belgrade TANJUG in English 1210 GMT 14 Jul 92

[Text] Belgrade, July 14 (TANJUG)—In June, the value of exports from the Federal Republic of Yugoslavia (F.R.Y.) were halved from a year earlier and 35.4 per cent down on May, the Federal Bureau of Statistics has said on Tuesday.

June is the first month in which effects were felt of the United Nations-imposed economic and political sanctions on the F.R.Y. and its two constituent republics Serbia and Montenegro.

"In June, goods for 172 million dollars were shipped off to foreign buyers but the bureau did not have data as to

whether the shipments reached their destinations," bureau spokeswoman Mirjana Rankovic told a news conference.

Imports in June amounted to 224 million dollars, or 43 per cent and 37.4 per cent declines on June, 1991, and on May, respectively.

"Commodities were customs-cleared in June, but their largest amount had in fact arrived in preceding months," said Mirjana Rankovic.

The respective half-year export and import results compared with a year earlier were: 1.7 billion dollars (28.9 per cent down) and 2.6 billion dollars (11.8 per cent down).

The F.R.Y.'S foreign trade deficit amounted to 901 million dollars, the bureau said.

The F.R.Y.'S major trade partners this year: Germany (780 million dollars), Russia (710 million dollars) and Italy (480 million dollars).